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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

| | | | |
|------------------------|-----------------------------------------------------|-------------------------|----------------------|
| Applicants: | Bruce Brumberg | Examiner: | Jagdish Patel |
| Application No: | 09/669,057 | Art Unit: | 3624 |
| Filing Date: | 09/25/2000 | Confirmation No. | 2821 |
| Title: | INTERNET-BASED EMPLOYEE STOCK OPTION PLANNER | | |
| Atty. Docket: | BRUM-101 | | |

RULE 131 DECLARATION

Commissioner of Patents & Trademarks
U.S. Patent and Trademark Office
P. O. Box 1450
Alexandria, VA 22313-1450

RECEIVED

JUN 28 2004

GROUP 3600

Sir:

Now comes the Declarant, Bruce Brumberg, and deposes and says::

THAT I am the inventor of a Patent Application entitled INTERNET-BASED
EMPLOYEE STOCK OPTION PLANNER, bearing Application Serial No. 09/669,057 filed
September 25, 2000;

THAT I am aware of a published Patent Application US 2001/0056391 A1, published December 27, 2001, which relates back to a Provisional Patent Application bearing No. 60/176,032 filed January 14, 2000 by Frederick J. Schultz;

THAT the above-reference Schultz reference was cited against my Patent Application under 35 USC 102(e);

THAT I invented the subject matter of my Patent Application prior to January 14, 2000;

THAT as evidence of the conception of my claimed invention prior to January 14, 2000,
my invention was described in writing in a Business Plan prior to January 14, 2000;

1

THAT a true copy of the portion of the Business Plan describing my invention accompanies this Rule 131 Declaration as Appendix A;

THAT this Business Plan describes the website content/features claimed in my Patent Application on pages 2-6 of the business plan;

THAT a part of this description is a description of the claimed Modeling Tools, as well as the concept of offering information in terms of articles, forums and discussion groups, specific answerable questions, permanent content, news items, company-specific news and an email newsletter;

THAT my invention was actually reduced to practice on or before June 23, 2000;

THAT on June 23, 2000, Kathleen Pender, a reporter for the San Francisco Chronicle, reviewed the subject method of providing an individual with education and training about an employee stock option plan, which system was provided to her on a beta test basis (Appendix B);

THAT the system she reviewed included the claimed Modeling Tools which are claimed and that were described in the above-noted Business Plan;

THAT as described in a printout of hrexecutive.com in Appendix C, the screen shot of the My Stock Options home page depicts the home page used in the beta test of the subject system on or before June 23, 2000;

THAT as evidence of diligence between a conception date prior to January 14, 2000 and the actual reduction to practice on or before June 23, 2000, the following documents indicate an active program to develop the system:

Appendix D January 17, 2000 memorandum to investor Jesse Brill regarding the program;

| | |
|------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Appendix E | January 19, 2000 detailed Business Plan given to investor Jesse Brill; |
| Appendix F | January 20, 2000 comments received back from investor Brill re: the project; |
| Appendix G | January 25, 2000 letter from programmer Van Ness Group evaluating the system; |
| Appendix H | January 25, 2000 notes regarding modeling techniques; |
| Appendix I | January 26, 2000 detailed phone notes regarding the system, including notes regarding website development; |
| Appendix J | January 28, 2000 handwritten notes re: project |
| Appendix K | January 30, 2000 memorandum between myself and investor Brill regarding the system; |
| Appendix L | February 1, 2000 handwritten notes re: project |
| Appendix M | February 2, 2000 listing of check on Merrill Lynch WCMA account to Peter Van Ness for services involved in development of the website; |
| Appendix N | February 3, 2000 draft of Software Development Contract from programmer Peter Van Ness; |
| Appendix O | March 1, 2000 listing of check on Merrill Lynch WCMA account to Van Ness Group for software development services; |

Appendix P Memorandum regarding time spent by Mark Malseed, website developer, for software services rendered as follows:

| | |
|----------------|--------------|
| Month of March | 51.0 hours |
| Month of April | 31.8 hours |
| Month of May | 58.0 hours |
| Month of June | 172.5 hours; |

Appendix Q InetU invoice dated 06/01/00;

THAT at no time did I abandon, suppress or conceal the invention described in my Patent Application after is conception before January 14, 2000; and,

THAT I diligently pursued development of the invention until such time as it was actually reduced to practice.

WHEREFORE I request that the reference entitled Patent Application US 2001/0056391 A1, published December 27, 2001, which relates back to a Provisional Patent Application bearing No. 60/176,032 filed January 14, 2000 by Frederick J. Schultz be withdrawn.

I further declare that all the statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States

Code, and that such willful false statements may jeopardize the validity of the Application or any patent issuing thereon.

Further Declarant sayeth not.

Bruce Brumberg
Bruce Brumberg

Date: 6/22/04

To: Jesse Brill (Note: He is the Publisher of the *Corporate Counsel* and the *Corporate Executive*; Chairman/Owner, National Association of Stock Plan Professionals [NASPP], a for-profit association.)

Fr: Bruce Brumberg

Re: MyStockPlan.com/MyStockOptionPlan.com and
MyPOTofGOLD.com/MyGoldPot.com

CONFIDENTIAL

Concept

Website devoted to participants in stock option, stock purchase, and restricted stock programs. MyStockPlan.com will provide interactive financial planning calculators/tools; content (articles and discussion forums); and record keeping, option exercise, and restricted stock services. A separate site will be devoted to the needs of high net-worth individuals.

The Opportunity

Millions of people in the US and now overseas participate in stock plans (based on data from the National Association of Stock Plan Professionals, The National Center for Employee Ownership, and various compensation consulting firms). In addition, through our experience with the NASPP and in researching and writing the newsletters, we can assume that senior executives and most directors at every public company have stock options or some form of restricted stock (i.e., either the time-vested and/or the SEC Rule 144 version). A countless number of people also hold stock options in pre-IPO companies, as they help fuel the New Economy.

Participants in these plans are sitting on billions of dollars in option gains, representing much of the new wealth in this country. I have heard (not confirmed) that these gains rival amounts in qualified plans (i.e., 401(k) plans and IRAs). Brokerage firms and financial advisors clamor for ways to reach these individuals to handle their stock plan transactions and manage their money.

As we know, few participants hold the stock after exercise. For numerous reasons they take their option profits before the end of the standard 10-year term and either diversify the money into alternative investments (i.e., stocks, mutual funds), buy things (cars, furniture, houses), or do things (vacation, wedding, renovation). In short, these are the type of people whom the financial service companies and numerous other advertisers want to reach—folks eager to do something with their money.

Millions of people now look to the Internet as a prime source of personal financial and investment information. This trend is reshaping the financial services industry. The desire

of individuals to take direct control over their financial futures is both demonstrated and encouraged by the proliferation of investment and online brokerage websites.

Profit Sharing/401(k) Council of America, an industry trade group, predicts that all 401(k) plans "will offer personal financial advice through the Internet within just five years." I know of at least two websites that have sprouted to provide advice and content on 401(k) plans: www.financialengines.com and www.401kafe.com. Both websites/businesses have received substantial venture capital, with the *Wall Street Journal* reporting that Financial Engines recently garnered \$85 million in private funding. Additional online 401(k) advice programs include Fidelity's Portfolio Planner, S&P's Rational Investor, and Morningstar's ClearFuture. Other websites/businesses that illustrate the interest in interactive and high-end financial planning advice include www.directadvice.com and www.mycfo.com, started by entrepreneur Jim Clark (founder of Netscape, Silicon Graphics, and Healtheon).

Millions of people work excruciatingly long, stressful hours for the promise of stock option riches, yet have little guidance on how to maximize and protect the value in their company's stock plans. No substantial website exists to provide financial planning tools, advice, and services to stock plan participants. (Just as I finished writing this memo, a beta site www.optionwealth.com appeared. From the information that now exists on this website, it looks well-funded and staffed, with its focus on calculators and modeling tools.) Even people who hire financial advisors, tax accountants, and estate planning lawyers want to be informed before they visit these costly professionals.

Stock plan administrators tell us that they constantly receive questions of varying degrees of sophistication regarding their stock plans, regardless of the education materials they provide. Companies have also told us they need to improve the quality of their plan communications and impart to employees the full value of this incentive. A recent posting by NASPP Executive Director Sandra Sussman on the Q&A forum at www.naspp.com explains what companies do related to financial planning:

"It seems to depend upon the company and its philosophy about assisting its employees in the management of their personal financial situations. Some companies provide a series of tax and financial planning seminars; others send with the grant notice a brief description of the tax treatment of options with no follow-up assistance at all. Some provide assistance to senior management and leave the mid-level people to fend for themselves. Absent an in-house expert, I imagine the cost of providing all employees such assistance is prohibitive for many companies."

Website Content/Features

Below is a possible smorgasbord of features for MyStockPlan.com (I'm using this URL throughout the memo, although I may use one of the others above) that will satisfy the needs of stock plan participants and companies. In webspeak, it will be "information-

rich" and interactive, with "sticky" features that keep visitors on the site for longer visits and incite repeat visits.

The book *Digital Darwinism: 7 Breakthrough Business Strategies For Surviving In The Cutthroat Web Economy*, by Evan Schwartz, recommends that "only the players with unique bundles of information and interactive services will be able to charge for access to their content." I am still thinking through what features visitors will need to register to use or pay to use. Consensus does not exist among web experts on these issues, nor are there profitable models to follow.

1. **Stock Option Calculator.** I have not seen any simple stock option calculators (see also Competition below). Most people I know just handle calculations on an Excel spreadsheet, using formulas they created. The investor websites and personal finance software (i.e., Quicken) abound with various financial calculators for topics ranging from college savings to 401(k) investments. But nothing exists for stock options. A type of calculator available for public use appears at www.stock-options.com, but it is too complex and takes too long to use. I want to develop a calculator with three levels of detail based on what the users know about stock options and their degrees of patience for completing information online.

What I envision for the *Quick Take On Your Profits* calculator at the basic level would *not* consider: vesting schedules, differences between Incentive Stock Options (ISO) and Non-Qualified Stock Options (NQSO) (and thus would ignore AMT with ISOs), and city or county wage taxes (unless NYC). It would assume users were going to exercise and sell immediately, as almost everyone does.

MyStockPlan would have a calculator that would take seconds to complete. Visitors would enter in the number of options they have, the exercise price, the state in which they live, their salary, and the stock symbol/name of their company (only five fields to complete). It would assume for salaries over a certain level that the FICA tax maximum already hit and a basic brokerage fee. This *Quick Take* would give users the approximate net proceeds from the exercise and sale.

The second level on the calculator would allow visitors to enter in separate option grants with different exercise prices. The third level would consider vesting schedules, and users could get e-mail notices of vesting and expiration dates.

A twist on the net proceeds calculator would allow users to enter in the cost of what they wanted to do with the proceeds (e.g., buy a Porsche for \$x dollars). The calculator would then tell them what price and % increase their company's stock would need to reach to reap these option profits. (Perhaps users would check from a pre-selected list what they plan to do with the profits and then see banner ads on the screen from manufacturers of those products or providers of those services.)

2. **Personal Record Keeping.** A critical feature of the calculator would be the personal record keeping feature, which would allow users to monitor their net proceeds on a

daily basis. Once they registered and entered this basic information into the MyStockPlan.com database, they could return to the site and enter in their ID/Password. This would permit them to view their previously entered option grant records online and the net proceeds for that day/time period based on their company's current stock price. Different record keeping forms would be needed for stock acquired in employee stock purchase plans, time-vested restricted stock, and for Rule 144 restricted stock.

3. **Cashless Exercises and Restricted Stock Sales.** I would develop the reporting features with capabilities that would allow users to link to brokerage firms to handle their cashless exercises (i.e., same-day-sale programs) and Rule 144 restricted stock sales. According to data from the NASPP Stock Plan Survey Report, 88% of the companies allow cashless exercises for plan participants. However, it is not clear how many of these companies designate specific brokerage firms to handle the transactions (i.e., captive brokers). This likely leaves a significant number of plan participants looking for brokers who are knowledgeable and experienced with these transactions.
4. **Modeling Tools.** These would allow users with the time and patience to look at various "what if" scenarios. The number of "what if" scenarios and their levels of sophistication is endless. Modeling tools would allow users to answer such questions as: "What will my net proceeds be if my company's stock price goes up ____ %?"; "Based on the historic volatility of my company's stock, what will my profits be if I sell in ____ years? How does this compare to investing the net proceeds in a diversified alternative investment that goes up ____ %?"; "What will my tax and net proceeds be if I exercise and hold the shares today, sell them ____ months later, and the stock price goes up ____ % at the time of sale?"; "What will my net stock holdings and profits be if I sell/swap existing company shares to exercise my options?"; "What is my Alternative Minimum Tax on exercise of ISOs and ways to reduce it?"; "Should I exercise and sell my options today?" (This involves both financial models and personal finance/goals and risk assessment questions that users would complete.); "What is the Black Scholes value of my options?"

When I initially started thinking about MyStockPlan.com, I considered licensing the online calculators, record keeping features, and modeling tools that are starting to appear in the products and services offered by the Competitors below. From the research I have done for various articles I have written and the demonstrations of Competitors' early-stage tools at the recent NASPP Convention, none of them are doing what I envision, both from an ease-of-use standpoint and from considering what really matters to plan participants. A few of the Competitors could and might develop similar features, so I would not want to approach them about modifying their tools according to my specifications for MyStockPlan, unless they were staying out of the markets I wanted to sell into. My current thinking is to develop, not license, the calculator and record keeping features, although I may license the sophisticated modeling tools.

5. **Articles.** I plan to include shorter articles on personal finance, tax and legal issues, and other topics of personal concern to participants in stock plans. These would be written with a quality similar to what appears in *Money* and *Smart Money* magazines. The monthly articles would go beyond a basic summary of rules and procedures to analysis, and would explain what these mean for stock plan participants. I could see two or three new articles per month. The articles would vary in sophistication, and perhaps there would be two versions of content based on the size of the visitors' option profits (or maybe only a "Rich Folks" MyPOTofGOLD.com site. See Revenue Streams below).

I can think of numerous topics ranging in sophistication from "Different Ways To Exercise Your Stock Options," "Basic Issues In Stock Purchase Plans," and "Option Exercise Strategies," to "Stock Options And IPOs: When Can I Cash In?," "Stock Options In Divorce," and "Transferable Options To Minimize Your Estate Taxes." With editing and refocusing, some of these content stories could use existing and new articles and small features from the *Corporate Counsel*, the *Corporate Executive*, and the NASPP's *Stock Plan Advisor* and Annual Convention coursebook. All of the articles and other content on the site would be in some type of searchable database.

One of the challenges with the content articles (and this applies to Forums below) is that there are topics that companies would not want to see their employees reading about, but which the employees would really want to investigate. These include anything dealing with hiring, raises, and jumping to another company (e.g., "How To Negotiate A Great Hiring Grant," "How To Compare Your Grant To Your Friend's At Another Company," "How To Leave Your Company But Keep Open Your Options"). I want companies to promote this site to their employees and perhaps even pay for customized versions. Approaches to handling these sensitive topics need to be thought through in more detail.

6. **Forums/Discussion Groups.** These would help create the MyStockPlan community. Visitors would post questions on a range of topics. I am still thinking about whether there would be one discussion group and all questions and answers would be posted on it (similar to the NASPP.com discussion group), or whether there would be separate forums for different topics, such as financial planning, tax and legal issues, and high net-worth. Another approach is that users would post questions in the forum, but that preselected experts would answer the questions (not other site visitors). This approach is used at www.garage.com on topics of interest to start-up and capital-seeking small companies. There are different forums on that site and it appears that a law firm, accounting firm, and VC fund are the sponsors (I assume they pay to answer the posted questions).
7. **Ask MyStockPlan.com.** This feature would take a posted question or perhaps one I created on a hot topic (e.g., "How Long After An IPO Can I Sell My Stock?") and would present the question on the homepage. This type of question could change more frequently than the content articles. I would not want to give specific personal

advice on certain types of questions, so the answers would provide more of an in-depth understanding of the issues.

8. **Permanent Content.** These features would always be linked from the homepage. These would include a stock plan glossary, with links from terms used in the longer articles; FAQs on basic stock option, stock purchase, and restricted stock topics; and a personal tax guide to treatment of stock plans in 20 or more countries.
9. **News Items.** These could be the latest developments in Congress, the IRS, and the SEC related to stock options, or news items about options in the general press (e.g., "The CEO at X Company Reaps Millions In Option Gains"). These would come from links to stories at other websites or from Reuters, AP, or another wire feed.
10. **Company Specific News.** Once a registered user selected the company they worked for or wanted to follow, MyStockPlan.com would provide notice of when senior executives and directors at that company buy or sell stock. Computer feeds of the Section 16 and Rule 144 form filings that top executives and directors must make are currently available. Investors actively monitor these for some guidance on the future prospects for the company's stock and would likely impact employees' timing for whether to exercise and sell. In addition, company-related headlines/articles appearing elsewhere on the web could appear in a format similar to Yahoo! Finance.
11. **E-Mail Newsletter.** This could go out weekly to registered users with notice of the new articles and Ask MyStockPlan.com questions. From my experience with the e-mail newsletters I receive from different websites, they include minor content with the goal of getting users to visit the website to read the new items.

JUNE 23, 2000



Bacon's

Web Site Has All the Stock-Option Answers ^{B1}

Subject is attracting a growing number of books and sites

Are stock options considered in determining child support payments? Are there ways around a lockup? Can I be fired when I am about to vest in company stock options? If I sell my options today, how much will I get after taxes?

If you've got questions like these, a Web site that premiered yesterday, www.mystockoptions.com, has answers.

More answers, in fact, than any stock-option site I've seen, and there

aren't many of them, although more are on the way.

There are plenty of resources and high-priced consultants for companies that offer stock options, but very few for the employees who get them. Until four or five years ago, stock options weren't a pervasive form of compensation. Now they are, and so is the thirst for information.

Two books published since last year, "Consider Your Options: Get the Most from Your Equity Compensation" and "Stock Options, An Authoritative Guide to Incentive and Nonqualified Stock Options," are best-sellers in Silicon Valley, according to Amazon.com.



NET WORTH

Kathleen Pender

As good as those books are, the site has several advantages: It's free (you have to register), interactive and dynamic.

The site has three main components:

■ **Content.** The home page features articles written by journalists, professors, lawyers and other professionals, including an interesting one about companies that are trying to grab back options from employees who defect to a competitor.

There's also a glossary and hundreds of "FAQs," or short answers to well-organized questions ranging from simple to complex.

Under "Articles" you'll find links to more than 100 stories from other online and print publications, including The Chronicle.

If you still can't find what you want, you can post a question in the

► **PENDER:** Page B4 Col. 1 *MBL*

For Anyone With Questions, Site

► PENDER

From Page B1

Discussion Forum or go to "Ask Our Experts" and e-mail your query. The company says it will try to answer as many questions as it can on the site.

■ **My Records.** This is where you enter information about your own option package, including stock symbol, grant date, exercise price and date and vesting schedule. The company says the data are well encrypted and it promises not to sell personal information to third parties, although it will disclose the general demographics of its users.

■ **Tools.** Once you've filled out "My Records," you can use the "Calculators" and "Modeling Tools" to play "what if" games with your options,

such as what would they be worth, after taxes, if you cashed them in today, or what they would be worth in the future depending on various scenarios.

You can enter your own federal tax rate and Social Security withholding information. One minor drawback is that you can't change your state tax rate. If you register as a California resident, it will assume a tax rate of 6 percent, which is the state's mandated withholding rate on options but not necessarily your actual tax rate.

Although the site is intuitive, the tools could use a tutorial.

The brains behind myStockOptions.com are Bruce Brumberg, a Boston-area lawyer with experience in stock plans and insider trading rules; Peter Van Ness, a new-media consultant who designed and built the site; and Jesse Brill, a Berkeley lawyer who publishes two newsletters, the Corporate Counsel and the Corporate Executive, and is also chair of the National Association of Stock Plan Professionals.

The privately financed company expects to make money three ways. One is selling advertising on the site. There's none yet, but "the demographics of people with equity compensation is very, very attractive," Brumberg says. He also intends to customize the site for employers with stock plans, and license parts of the technology to other sites.

Corey Rosen, executive director of the National Center for Employee Ownership in Oakland and an au-

thority on stock-option plans, found the site "very good. It's quite useful, easy to get around in, the articles are easy to read, and the questions are good."

Robert Pastore, a San Francisco investment adviser who wrote the aforementioned book titled "Stock Options," etc. thinks the site is a "good place to start. There are a tremendous number of articles. I think people need to read as much as they can, but that's really not a substitute for getting good advice."

He admits, however, that there aren't many places employees can get advice. Accountants, attorneys and financial planners might help, "but a lot of them are not up to speed on options."

MyStockOptions.com could get some competition from www.optionwealth.com. This site advertises some of the same features as myStockOptions.com

One thing the site can't answer, so far, is the biggest question for most employees — Did I get a good deal on my options package?

"Unless you are a senior executive of a public company . . . or your company is willing to open up its option records to you, you may never know whether you have been treated fairly," the site says.

I think the folks at myStockOp-

Has All the Stock-Option Answers

tions.com might have the answer right under their noses.

Last year, when I was researching minivans online, I found a useful discussion forum on www.edmunds.com called, "What did you pay for your Toyota Sienna?"

Perhaps myStockOptions.com could start an online discussion titled, "What did you get in your options package?" People could anonymously post their option package and we'd all be the wiser.

If you're just negotiating an options deal, you might enjoy a new book by David E. Gumpert, "Better Than Money: Build Your Fortune Using Stock Options and Other Equity Incentives — In Up and Down Markets." (Why do all stock option books have brain-deadening names?)

I haven't read it, but Rosen says it's supposed to help employees bargain for option deals.

LOCATION, LOCATION, LOCATION:

Wells Fargo yesterday yanked a feature from its Web site that supposedly helped people moving from one community find a similar community in another city.

A consumer group accused Wells of racial bias because the tool — which it licensed from startup Homefair.com — supposedly refers

people who live in predominantly black communities to other black communities.

You can still find the tool at www.homefair.com/usr/hoodform.html.

The charges of racial stereotyping could be true, but you can also get some pretty peculiar results.

I plugged in my parent's ZIP code in Kirkwood, Mo., a charming, middle-class, conservative, racially mixed, close-in suburb of St. Louis. I asked for a similar community in the Bay Area and got — no kidding — Bolinas.

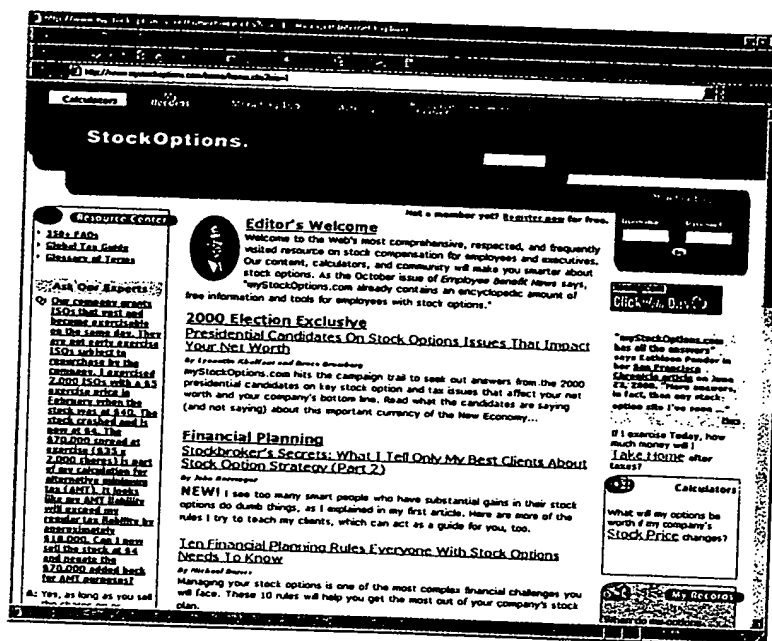
My mom's a great cook and sets a pretty table, but there's no way I could picture her living next door to Martha Stewart in Bolinas. (Yeah, yeah, Martha is not house-hunting there.)

As another test, a colleague from Berkeley said he was moving to New York. The site suggested he check out Secaucus, N.J., which he calls "a famous turnpike exit and reeking industrial wasteland at the other side of the Lincoln Tunnel from Manhattan."

Those are his words. I'm sure Secaucus has some nice parts.

Net Worth runs Tuesdays, Wednesdays and Fridays. E-mail Kathleen Pender at kpender@sfgate.com.

Top Products



PRODUCT: myStockOptions.com

SUPPLIER: myStockOptions.com, Brookline, Mass.

DESCRIPTION: An educational Web site designed to provide comprehensive personal finance information for the millions of people in the United States and worldwide who participate in stock option, employee stock purchase and restricted stock plans. Created and managed by experts in financial planning, tax law, stock plan administration and training, the site helps users overcome complex personal finance challenges by providing guidance and empowering them to make intelligent decisions about their stock options and other forms of equity pay.

COMMENTS: As e-technology is being applied more and more to HR, vendors face the increasing challenge of ensuring that their products deliver the best, most cost-effective application of this technology. In some cases, they fall short. In the case of myStockOptions.com, they hit it. This Web site serves a real need in today's employment world and works in consort with human resources, making its application simpler. It provides a complete and in-depth educational page where everyone in a company can find answers to questions about their own company's stock options as well as stocks and finances in general. It also includes interactive tools such as calculators to help them work with their own numbers. The list of advisors and board of directors represents an impressive and well-thought-out collection of experts who can actually provide a visitor with the kind of information he or she is seeking. The fact that it can be customized and secured to a company's liking makes it that much more serviceable to HR.

Select #304 at www.hrexecutive.com/hrelink

January 17, 2000

Jesse,

After much digging and a background check performed on me (really), I was able to obtain the following business plan for an Internet startup that raised venture capital. It was one of the companies featured in the *Worth* magazine article I had faxed you. They later prepared an even more detailed version that I cannot see. Please do not show this to anyone else. Do you boat or sail?

While not directly related to www.mystockplan.com, it does show what's needed to have an Internet business and not just a website (e.g., notice all the staff). I planned to fax you memo this Wednesday or Thursday. I think what I prepared is just as detailed and more analytical, except for the revenue projections and staff. The President of Bowne died suddenly and I may be going out of town for the funeral.

I was wondering whether you were going with Nathan back to Amherst? If so, perhaps we should meet to talk.

In working on the indexes and thinking about how parts of the content can be rewritten for the website, I have also developed a new or alternative focus for the website. It's explained in the memo.

Bruce

To: Jesse Brill (Note: He is the Publisher of the *Corporate Counsel* and the *Corporate Executive*; Chairman/Owner, National Association of Stock Plan Professionals [NASPP], a for-profit association.)

Fr: Bruce Brumberg

Re: MyStockPlan.com/MyStockOptionPlan.com and
MyPOTofGOLD.com/MyGoldPot.com

CONFIDENTIAL

Concept

Website devoted to participants in stock option, stock purchase, and restricted stock programs. MyStockPlan.com will provide interactive financial planning calculators/tools; content (articles and discussion forums); and record keeping, option exercise, and restricted stock services. A separate site will be devoted to the needs of high net-worth individuals.

The Opportunity

Millions of people in the US and now overseas participate in stock plans (based on data from the National Association of Stock Plan Professionals, The National Center for Employee Ownership, and various compensation consulting firms). In addition, through our experience with the NASPP and in researching and writing the newsletters, we can assume that senior executives and most directors at every public company have stock options or some form of restricted stock (i.e., either the time-vested and/or the SEC Rule 144 version). A countless number of people also hold stock options in pre-IPO companies, as they help fuel the New Economy.

Participants in these plans are sitting on billions of dollars in option gains, representing much of the new wealth in this country. I have heard (not confirmed) that these gains rival amounts in qualified plans (i.e., 401(k) plans and IRAs). Brokerage firms and financial advisors clamor for ways to reach these individuals to handle their stock plan transactions and manage their money.

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Millions of people now look to the Internet as a prime source of personal financial and investment information. This trend is reshaping the financial services industry. The desire

of individuals to take direct control over their financial futures is both demonstrated and encouraged by the proliferation of investment and online brokerage websites.

Profit Sharing/401(k) Council of America, an industry trade group, predicts that all 401(k) plans "will offer personal financial advice through the Internet within just five years." I know of at least two websites that have sprouted to provide advice and content on 401(k) plans: www.financialengines.com and www.401kafe.com. Both websites/businesses have received substantial venture capital, with the *Wall Street Journal* reporting that Financial Engines recently garnered \$85 million in private funding. Additional online 401(k) advice programs include Fidelity's Portfolio Planner, S&P's Rational Investor, and Morningstar's ClearFuture. Other websites/businesses that illustrate the interest in interactive and high-end financial planning advice include www.directadvice.com and www.mycfo.com, started by entrepreneur Jim Clark (founder of Netscape, Silicon Graphics, and Healtheon).

Millions of people work excruciatingly long, stressful hours for the promise of stock option riches, yet have little guidance on how to maximize and protect the value in their company's stock plans. No substantial website exists to provide financial planning tools, advice, and services to stock plan participants. (Just as I finished writing this memo, a beta site www.optionwealth.com appeared. From the information that now exists on this website, it looks well-funded and staffed, with its focus on calculators and modeling tools.) Even people who hire financial advisors, tax accountants, and estate planning lawyers want to be informed before they visit these costly professionals.

Stock plan administrators tell us that they constantly receive questions of varying degrees of sophistication regarding their stock plans, regardless of the education materials they provide. Companies have also told us they need to improve the quality of their plan communications and impart to employees the full value of this incentive. A recent posting by NASPP Executive Director Sandra Sussman on the Q&A forum at www.naspp.com explains what companies do related to financial planning:

"It seems to depend upon the company and its philosophy about assisting its employees in the management of their personal financial situations. Some companies provide a series of tax and financial planning seminars; others send with the grant notice a brief description of the tax treatment of options with no follow-up assistance at all. Some provide assistance to senior management and leave the mid-level people to fend for themselves. Absent an in-house expert, I imagine the cost of providing all employees such assistance is prohibitive for many companies."

Website Content/Features

Below is a possible smorgasbord of features for MyStockPlan.com (I'm using this URL throughout the memo, although I may use one of the others above) that will satisfy the needs of stock plan participants and companies. In webspeak, it will be "information-

rich” and interactive, with “sticky” features that keep visitors on the site for longer visits and incite repeat visits.

The book *Digital Darwinism: 7 Breakthrough Business Strategies For Surviving In The Cutthroat Web Economy*, by Evan Schwartz, recommends that “only the players with unique bundles of information and interactive services will be able to charge for access to their content.” I am still thinking through what features visitors will need to register to use or pay to use. Consensus does not exist among web experts on these issues, nor are there profitable models to follow.

1. **Stock Option Calculator.** I have not seen any simple stock option calculators (see also Competition below). Most people I know just handle calculations on an Excel spreadsheet, using formulas they created. The investor websites and personal finance software (i.e., Quicken) abound with various financial calculators for topics ranging from college savings to 401(k) investments. But nothing exists for stock options. A type of calculator available for public use appears at www.stock-options.com, but it is too complex and takes too long to use. I want to develop a calculator with three levels of detail based on what the users know about stock options and their degrees of patience for completing information online.

What I envision for the *Quick Take On Your Profits* calculator at the basic level would *not* consider: vesting schedules, differences between Incentive Stock Options (ISO) and Non-Qualified Stock Options (NQSO) (and thus would ignore AMT with ISOs), and city or county wage taxes (unless NYC). It would assume users were going to exercise and sell immediately, as almost everyone does.

MyStockPlan would have a calculator that would take seconds to complete. Visitors would enter in the number of options they have, the exercise price, the state in which they live, their salary, and the stock symbol/name of their company (only five fields to complete). It would assume for salaries over a certain level that the FICA tax maximum already hit and a basic brokerage fee. This *Quick Take* would give users the approximate net proceeds from the exercise and sale.

The second level on the calculator would allow visitors to enter in separate option grants with different exercise prices. The third level would consider vesting schedules, and users could get e-mail notices of vesting and expiration dates.

A twist on the net proceeds calculator would allow users to enter in the cost of what they wanted to do with the proceeds (e.g., buy a Porsche for \$x dollars). The calculator would then tell them what price and % increase their company’s stock would need to reach to reap these option profits. (Perhaps users would check from a pre-selected list what they plan to do with the profits and then see banner ads on the screen from manufacturers of those products or providers of those services.)

2. **Personal Record Keeping.** A critical feature of the calculator would be the personal record keeping feature, which would allow users to monitor their net proceeds on a

daily basis. Once they registered and entered this basic information into the MyStockPlan.com database, they could return to the site and enter in their ID/Password. This would permit them to view their previously entered option grant records online and the net proceeds for that day/time period based on their company's current stock price. Different record keeping forms would be needed for stock acquired in employee stock purchase plans, time-vested restricted stock, and for Rule 144 restricted stock.

3. **Cashless Exercises and Restricted Stock Sales.** I would develop the reporting features with capabilities that would allow users to link to brokerage firms to handle their cashless exercises (i.e., same-day-sale programs) and Rule 144 restricted stock sales. According to data from the NASPP Stock Plan Survey Report, 88% of the companies allow cashless exercises for plan participants. However, it is not clear how many of these companies designate specific brokerage firms to handle the transactions (i.e., captive brokers). This likely leaves a significant number of plan participants looking for brokers who are knowledgeable and experienced with these transactions.
4. **Modeling Tools.** These would allow users with the time and patience to look at various "what if" scenarios. The number of "what if" scenarios and their levels of sophistication is endless. Modeling tools would allow users to answer such questions as: "What will my net proceeds be if my company's stock price goes up ____ %?"; "Based on the historic volatility of my company's stock, what will my profits be if I sell in _____ years? How does this compare to investing the net proceeds in a diversified alternative investment that goes up _____%?"; "What will my tax and net proceeds be if I exercise and hold the shares today, sell them _____ months later, and the stock price goes up _____% at the time of sale?"; "What will my net stock holdings and profits be if I sell/swap existing company shares to exercise my options?"; "What is my Alternative Minimum Tax on exercise of ISOs and ways to reduce it?"; "Should I exercise and sell my options today?" (This involves both financial models and personal finance/goals and risk assessment questions that users would complete.); "What is the Black Scholes value of my options?"

When I initially started thinking about MyStockPlan.com, I considered licensing the online calculators, record keeping features, and modeling tools that are starting to appear in the products and services offered by the Competitors below. From the research I have done for various articles I have written and the demonstrations of Competitors' early-stage tools at the recent NASPP Convention, none of them are doing what I envision, both from an ease-of-use standpoint and from considering what really matters to plan participants. A few of the Competitors could and might develop similar features, so I would not want to approach them about modifying their tools according to my specifications for MyStockPlan, unless they were staying out of the markets I wanted to sell into. My current thinking is to develop, not license, the calculator and record keeping features, although I may license the sophisticated modeling tools.

5. **Articles.** I plan to include shorter articles on personal finance, tax and legal issues, and other topics of personal concern to participants in stock plans. These would be written with a quality similar to what appears in *Money* and *Smart Money* magazines. The monthly articles would go beyond a basic summary of rules and procedures to analysis, and would explain what these mean for stock plan participants. I could see two or three new articles per month. The articles would vary in sophistication, and perhaps there would be two versions of content based on the size of the visitors' option profits (or maybe only a "Rich Folks" MyPOTofGOLD.com site. See Revenue Streams below).

I can think of numerous topics ranging in sophistication from "Different Ways To Exercise Your Stock Options," "Basic Issues In Stock Purchase Plans," and "Option Exercise Strategies," to "Stock Options And IPOs: When Can I Cash In?," "Stock Options In Divorce," and "Transferable Options To Minimize Your Estate Taxes." With editing and refocusing, some of these content stories could use existing and new articles and small features from the *Corporate Counsel*, the *Corporate Executive*, and the NASPP's *Stock Plan Advisor* and Annual Convention coursebook. All of the articles and other content on the site would be in some type of searchable database.

One of the challenges with the content articles (and this applies to Forums below) is that there are topics that companies would not want to see their employees reading about, but which the employees would really want to investigate. These include anything dealing with hiring, raises, and jumping to another company (e.g., "How To Negotiate A Great Hiring Grant," "How To Compare Your Grant To Your Friend's At Another Company," "How To Leave Your Company But Keep Open Your Options"). I want companies to promote this site to their employees and perhaps even pay for customized versions. Approaches to handling these sensitive topics need to be thought through in more detail.

6. **Forums/Discussion Groups.** These would help create the MyStockPlan community. Visitors would post questions on a range of topics. I am still thinking about whether there would be one discussion group and all questions and answers would be posted on it (similar to the NASPP.com discussion group), or whether there would be separate forums for different topics, such as financial planning, tax and legal issues, and high net-worth. Another approach is that users would post questions in the forum, but that preselected experts would answer the questions (not other site visitors). This approach is used at www.garage.com on topics of interest to start-up and capital-seeking small companies. There are different forums on that site and it appears that a law firm, accounting firm, and VC fund are the sponsors (I assume they pay to answer the posted questions).
7. **Ask MyStockPlan.com.** This feature would take a posted question or perhaps one I created on a hot topic (e.g., "How Long After An IPO Can I Sell My Stock?") and would present the question on the homepage. This type of question could change more frequently than the content articles. I would not want to give specific personal

advice on certain types of questions, so the answers would provide more of an in-depth understanding of the issues.

8. **Permanent Content.** These features would always be linked from the homepage. These would include a stock plan glossary, with links from terms used in the longer articles; FAQs on basic stock option, stock purchase, and restricted stock topics; and a personal tax guide to treatment of stock plans in 20 or more countries.
9. **News Items.** These could be the latest developments in Congress, the IRS, and the SEC related to stock options, or news items about options in the general press (e.g., "The CEO at X Company Reaps Millions In Option Gains"). These would come from links to stories at other websites or from Reuters, AP, or another wire feed.
10. **Company Specific News.** Once a registered user selected the company they worked for or wanted to follow, MyStockPlan.com would provide notice of when senior executives and directors at that company buy or sell stock. Computer feeds of the Section 16 and Rule 144 form filings that top executives and directors must make are currently available. Investors actively monitor these for some guidance on the future prospects for the company's stock and would likely impact employees' timing for whether to exercise and sell. In addition, company-related headlines/articles appearing elsewhere on the web could appear in a format similar to Yahoo! Finance.
11. **E-Mail Newsletter.** This could go out weekly to registered users with notice of the new articles and Ask MyStockPlan.com questions. From my experience with the e-mail newsletters I receive from different websites, they include minor content with the goal of getting users to visit the website to read the new items.

Revenue Streams

If I were to launch a new newsletter, book, or video, I could accurately predict the revenue sources and the response to different marketing techniques, such as direct mail or telemarketing. The Internet, with its tremendous growth, presents an entirely different world, which is why I do not want to spend undue time working on detailed financial projections yet.

Models keep changing for web businesses. New sources of revenue are constantly being developed, experimented with, and either rejected or validated. When the site is launched, I do not want to adopt strategies at the start that foreclose all the "options" in seeing what revenues streams could work. For example, if all individuals and/or companies were charged for access to the site and the services, then this would reduce the number of users and thus the advertising/sponsorship and referral revenue. A higher number of registered users would also make MyStockPlan a more attractive acquisition target. However, if everything were free, it would perhaps make it difficult to later charge individuals, financial advisors, and/or companies for the same features.

1. **Advertising/Sponsorships.** Many sites seem to have the goal of attracting as many visitors as possible, particularly registered users, and getting some type of personal information during the registration process. I have been learning about ways MyStockPlan.com could collect demographic data on users without directly asking them for it. As discussed above under The Opportunity, participants in stock plans have profits in their options or stock and will soon do something with them. The modeling, record keeping, and content on the site would encourage return visitors, long stays, and insights into the background/wealth of visitors. Advertisers ranging from financial services firms to online recruiters would want to reach the visitors of MyStockPlan, particularly if I could show the demographics of the users.

I continue to learn about the evolving world of online advertising (i.e., banner advertising) and sponsorships (i.e., specific content sections, such as a discussion group on financial planning or a special section geared to high net-worth individuals). Based on the volume of traffic you need on the site and what you can charge for advertising, I am starting to focus on features and concepts that advertisers would sponsor to reach the visitors attracted to specific content. As I can explain, the online ad buyers at potential advertisers are usually not the same people or even in the same department as the buyers of booths and sponsorships at the NASPP Convention.

2. **Sell a Slice of Registered User Names.** Once MyStockPlan.com has a significant number of registered users, these names will be valuable to advertisers. I will develop a privacy statement on the site that explains the information about users the site will or will not sell. This has become a controversial privacy topic, as free websites look for ways to "monetize" their visitors.
3. **Referral Fees from Securities Firms and Financial Advisors.** Although I do not know the approximate numbers, many companies have not designated brokers to handle the executives' or employees' option exercises and Rule 144 sales. Brokerage firms clamor to obtain this "captive" brokerage business, and some companies see the advantages in having all of the employees' trades handled by the firm(s) they select.

However, many companies do not. Whatever procedures and system MyStockPlan develops for online option exercises could become the industry standard. The site would provide links to brokerage firms that could handle these services and the management of the proceeds. The payment and regulatory issues require research. From a technological standpoint, these types of links to selected brokers and money managers are possible. The firms would either pay to be the "captive brokers" for this site feature, a referral fee for leads, or a percentage of assets under management. From my preliminary discussions with brokerage industry contacts, I have learned that it is a "Wild West" in terms of what they will pay to bring actual customers to the firms and for "order flow."

4. **New Association and Directory.** I would create a new association for Certified Equity Financial Planners (CEFP), with training materials and a test. Financial planners would take this self-study course and test for a fee. Those that passed would

get listed in an online directory, pay an annual fee for continued listing, and be given access to even better modeling tools.

5. **Premium Services for Individuals.** The basic calculators, record keeping, and content could be free. Fees could be charged for more specialized models and planning tools, along with perhaps personal sessions with a financial planner. For people to actually use and appreciate some of the more sophisticated interactive modeling tools that I envision, they would require more time to complete them online. Charging for the powerful tools may be the only way users will see their value, take the time to actually use them, and assure they return to get their money's worth.
6. **Corporate Sales.** We have discussed the approach of charging companies from the beginning a minor amount for employee access to the site. My concern is that this limits the potential revenue from Revenue Streams 1-5. It also requires an amazing site with super modeling tools and content from the start. Regardless of what is charged, MyStockPlan.com would then be competing with the other companies' choices, which are mentioned under Competition. You had suggested substantially undercutting their prices, but I do not know how price sensitive the corporate buyers may be for these services.

However, once a great site evolves in "Internet Time," I would like to pursue the corporate Intranet market with two types of customized versions of MyStockPlan. First, companies would want to license the personal finance content features on MyStockPlan if they already: 1) used the CMS, ShareData, or proprietary software for inhouse plan administration; 2) outsourced it to third-parties or brokerage firms; 3) let a captive brokerage firm provide online account viewing and exercise. They could pick-and-choose the types of content they wanted, as some of the content on the "public" site may not fit with the messages the company wants delivered, and other content could be written for their needs. As part of these online services, in-house corporate training on stock plan financial planning could be provided. The potential competitors in 1, 2, and 3 may also want to license the MyStockPlan content as part of their services.

Second, companies (and financial planners) that do not provide employees with online viewing of their option holdings, could also pay for the online calculators and personal record keeping features of MyStockPlan. This second alternative could require additional technical and customer support staff to manage the downloading or data entry of employee records and questions from plan participants on how to use the site's features. I would only want to handle the personal record keeping side of stock plans and not assume responsibility for the corporate reporting required for tax and accounting purposes.

7. **Sales of Other Financial Services and Products.** Visitors to the site may have interest in other financial services and alternative investments for the stock profits. These could be sold directly through the site or through referrals to these providers. Mystockplan.com could have some type of mall with offerings from companies in

different industries that want to help visitors spend and manage their stock plan profits.

8. **MyPOTofGOLD.com: Rich Folks Only Website.** Just as I was finishing up this memo, Schwab announced that it was buying the blue-chip asset-management firm US Trust for \$2.9 billion, largely because Schwab wants to better reach wealthier investors. In commenting on the US Trust deal, Charles R. Schwab said that "the affluent category happens to be one with the most growth, growing at about 40% a year for the next five years."

We know that most of the new wealth in this country comes from stock plans. For a second or alternative website, perhaps I should forget the masses that yearn for more financial advice on their stock options. The site could just focus on individuals with stock holdings or options gains over \$100,000, the target market for many advertisers and financial service companies. Approximately 1.5 million people fit into this group, although I believe this number only considers actual stock holdings and not unexercised or unvested options. In addition, the number of households with incomes between \$100,000-\$200,000 more than doubled to 5.4 million in 1997 (year with most reliable data), with the number of households with incomes between \$200,000 and \$500,000 also doubling to 1.4 million during this period.

Most of the discussion in this memo would apply to this separate concept, along with a few innovative twists. This "rich niche" may make it easier to create the "value bundle" recommended in *Digital Darwinism* for which you can charge users. These individuals either do not pay for access to the site or pay a premium, which includes personal contact with a financial planner/tax expert who specializes in equity compensation and in executing the trades. However, any company, firm, or advisor that wants to use the site, participate in the discussions, and perhaps use the content, pays a fee for membership and some type of sponsorship.

MyPOTofGOLD.com could take most advantage of our rare expertise in the more complex stock compensation issues and our rewritten selective content from the *Corporate Executive* and the *Corporate Counsel*, plus other financial planning topics of concern to high net-worth individuals. I can envision a number of different revenue streams that would be specific to this market, if I focus on topics of concern to this target group.

Marketing

Initially, MyStockPlan would be promoted to NASPP members, readers of the *Corporate Counsel* and the *Corporate Executive* newsletters, and to other inhouse lists used by Executive Press. These efforts would include repeated mentions in the newsletters and in direct mail pieces and extensive exposure at the Annual Conference. Public relations and other promotional efforts would be undertaken to garner mentions of the site in different print and online publications. Based on my successful experience in promoting all the other products I have launched, if MyStockPlan.com is one of the first websites devoted

to stock plan participants, I expect to receive numerous mentions. Mystockplan.com would be submitted and registered with all the different web search engines. Banner ad swaps, content distribution, and co-branding arrangements would be explored with other websites.

Once additional marketing dollars were raised, MyStockPlan.com would purchase banner ads on selected websites and key words (e.g., stock options) on major search engines. I would like to experiment with the effectiveness of advertising in traditional media (newspapers, magazines, radio) in regions of the USA with high concentrations of employees with stock options (e.g., Northern California, Boston, Seattle) and in publications read by people with stock options (e.g., *Inc.*, *Red Herring*, *Fast Company*). Unlike many other websites that have difficult-to-grasp applications, the benefits of MyStockPlan would be easy to communicate through selected mass media. I am already mentally scripting a series of clever radio and print ads that would attract site visitors.

In addition, repeated direct mailings about the features and benefits of MyStockPlan.com would be sent to public company executives and directors. These lists and addresses are available from SEC filings. We do need to develop a marketing strategy that deters corporations from making any "buy" decision on www.optionwealth.com, or any other direct competitors who emerge, before MyStockPlan is fully functioning.

Marketing of banner ads and sponsorships, and corporate sales, would require recruiting and developing a sales staff. Information about advertising/sponsorships and corporate Intranets would appear on the MyStockPlan.com website. However, it would require numerous phone calls, e-mails, and visits to structure and close these deals. If I raise financing before the site launch, I may start peddling sponsorships of different site features earlier and tailor them to meet the needs of these companies. Part of the "payment" for these sponsorships could be in their efforts to promote the site in their other marketing materials.

Competition

This depends on how I define the niche and the potential revenue streams, and how paranoid I want to feel. In terms of websites, the popular investor websites occasionally run articles on stock option topics and have some record keeping and modeling tools related to stock and mutual funds (not stock options). Small brokerage/financial advisor firms run www.stock-options.com and www.restrictedstock.com. They provide calculators, a discussion forum, and a decisionmaking form, but their main goal is to attract customers to their advisory services. Fairmark Press, a small tax publisher, has parts of a book on stock options available at www.fairmark.com, but could evolve into an equity compensation website.

In terms of alternative ways that plan participants can get this type of information and the companies that provide these services, we probably know all of them because they exhibit at the NASPP National Convention or advertise in the NASPP's *Stock Plan*

Advisor newsletter. All the current business models for the companies in the five categories below sell their services to the corporate market. (Paranoia: these companies below could develop a generally public version and start a website similar to what I am proposing if it proves initially successful; this makes the rapid creation and reputation for the MyStockPlan brand that much more important.)

These competitors include:

1. Major stock plan administration software vendors for companies that want to handle the record keeping and reporting in-house: Corporate Management Solutions and ShareData (now owned by E-Trade).
2. Providers of Outsourced Stock Plan Administration: AST Stock Plan, Equiserve, ChaseMellon, to name a few of the largest. They handle all the record keeping for the company and the related tax and accounting reporting.
3. Securities Firms (some also provide plan administration, along with trade execution services) that handle ESPPs, exercises, and restricted stock sales: Just about every brokerage firm wants this business, with some firms more aggressive in their efforts to be designated as a company's captive broker for cashless exercises (e.g., Charles Schwab, Merrill Lynch, E*Trade, Morgan Stanley Dean Witter, Smith Barney).
4. HR, Accounting, and PR/Design Firms: These firms, such as Hewitt, Sheppard Associates, and PriceWaterhouseCoopers, are helping companies develop communication materials and Intranet sites for their stock plans.
5. Financial Planning Firms: Very few financial planners understand, let alone specialize in, equity compensation. A few of the major firms that cater to senior executives (Asset Management Group and AYCO) seem to have some expertise, based on my interviews with their staff throughout the years. I know of at least one software program, the Option Optimizer (www.mdegroupp.com) that has modeling tools and is being sold to financial planners and HR departments. This program, developed by MDE Information Technology, is being redesigned for Internet and corporate Intranet use.
6. Optionwealth.com and other direct competitors.

Based on research I have done for the *Corporate Executive*, all the above service providers are moving toward providing some type of Intranet or Internet access for employees to at least view their stock plan holdings. As part of the HR movement to "employee self-service," companies also want to offer employees the ability to exercise and sell online. Schwab has just come out with OptionsCenter to compete with E*Trade's OptionsLink. These sites also have basic education, such as the stock plan documents, FAQs on the plan and exercise procedures, and basic calculators/modeling tools.

Analysis of Competition

Executives, directors, and employees at many companies do not have access to any of the features discussed under Website Content/Features. Although I do not have the exact numbers, many participants in stock plans do not have access to online record keeping systems, or their companies have not selected a brokerage firm to handle cashless exercises and Rule 144 sales. The calculator/modeling tools, online record keeping, and services offered through MyStockPlan will be very valuable to this group. In addition, as MyStockPlan evolves and becomes recognized, companies may prefer its system for online account viewing and exercising over a captive broker.

Even companies that do provide employees with access to these online services still shy away from providing any financial advice. Companies want to see their employees maximize the value in their stock plans. This creates the strongest incentives and retains employees. MyStockPlan.com would offer employees this type of objective, sophisticated information, similar to what companies now offer to employees for their 401(k) investment or even health care plan choices. None of the competitors offer the combination of features I listed previously for MyStockPlan. The site that just went up, www.optionwealth.com, seems devoted to calculators and modeling tools (toolbox not scheduled to debut until late February), with its focus on the corporate market. Looking at the 401(k) venture capital backed websites, I much prefer the approach of www.401kafe.com, with content *plus* interactive tools, over that of www.financialengines.com.

Employees who receive education and training on their stock plans through their company will likely look to the Web for more information about this major asset in their personal portfolio, just as they do for other sources of financial, medical, or travel information. Millions of people can now view their brokerage accounts online and then purchase and sell their stock. This has not hampered the growth and popularity of investor websites ranging from privately held www.fundsinteractive.com to the public companies www.thestreet.com, www.cbsmarketwatch.com, and www.edgar-online.com. Mystockplan.com can become the premier site with content devoted to stock plans.

Compared to the stock plan field, the 401(k) business has even more companies that offer software, third-party administration and record keeping, and employee communication and education. Yet this has not inhibited the substantial interest in and venture capital backing behind Financial Engines and mPower (company with www.401kafe.com) that provide financial advice for 401(k) plans. While the major brokerage firms such as Schwab could offer more financial advice through their companies' services, they have traditionally resisted this because it could alienate the investment advisors and money managers who make trades and buy mutual funds through them. Whatever drives the growth and investors' interest in these two 401(k) ventures will propel MyStockPlan.com.

However, these 401(k) sites could also become potential competitors or strategic partners. I know that Venture Law Group is both a legal advisor to and investor in Financial Engines. Lawyers from that firm are active in the NASPP and have spoken at the Annual Convention. They will see the similarity between providing stock plan and 401(k) advice, if they have not already. Other investor websites could also become competitors, but it is more likely they would license content or establish content distribution arrangements with MyStockPlan.com. All of the above competitors or other financial services companies, of course, could also be potential acquirers when MyStockplan.com becomes a recognized web brand and attracts enough users and corporate customers.

Competition is good for MyStockPlan. Using Internet lingo, it helps create an Internet "space" that we can make lots of "noise" in immediately. We're premier "content guys" with lots of contacts. We know how to make this complex information understandable. We will have this edge even when more direct competitors emerge with "whiz-bang" modeling tools

Execution Plan For MyStockPlan.com Launch

1. We agree on the scope of your involvement and formalize it.
2. Decide on whether to launch a bare-bones site within next month with content (a few articles, news items, Ask MyStockPlan, and discussion forum only), but other site features not yet shown.
3. Website development company is selected and begins site design and construction.
4. Decisions made on technology that will build and update website and what ISP/Servers will be used.
5. Website development company or another firm creates stock plan calculators.
6. Decision made on raising additional funds, preparing more formal written business plan, and adding staff before website launch. Funding would be used to: actively develop, sell, and form relationships with key sponsors/advertisers before launch; assist with content research and writing; build the more sophisticated technology for the modeling tools; develop relationships with selected securities firms and the technology (and any regulatory approval) that would allow cashless exercises and restricted stock sales through the website; get word out to the corporate market to head off any sales efforts by www.optionwealth.com.
7. Create an advisory board of leading names in stock plan administration and in equity compensation.
8. Permanent content for website written, edited, and/or obtained.
9. Initial articles and Ask MyStockPlan content for website written, edited, obtained, and/or linked.
10. Beta test site posted with basic content and calculators.
11. Solicited comments from select individuals on site.
12. Modifications made based on comments and bugs.
13. Decisions made on what will and will not be free; corporate and public versions.

14. Identify potential sponsors and advertisers and concepts for them. Consider contacting now or after launch.
15. Develop detailed marketing and PR campaign for MyStockPlan in traditional and online media.
16. Implement campaign.

Your Involvement

As you can see from the above, I have put substantial time, research, thinking, and creativity into my initial plan. I want to dedicate myself to developing MyStockPlan into a successful business. The names of visitors to MyStockPlan.com can produce new prospects for the NASPP and your publications and software.

We have worked closely together for almost ten years. I would like your active involvement to create this new venture and implement my (and hopefully your) vision. We have an excellent, respectful working relationship. I highly regard your abilities, intelligence, and priorities, and all you have done and do both in the business and philanthropic worlds.

The question is how involved you want to be (and how realistic this involvement is, given your time constraints), whether you will feel comfortable not controlling the business, and what your involvement is financially worth in terms of ownership interest in MyStockPlan.com, Inc. At minimum, I would like to see you contribute: 1) General business advice, counsel, and comments; 2) promotional and marketing efforts through the newsletters, the NASPP, and other in-house mailing lists, along with limited access to the subscriber and member lists and vendor contacts; and 3) selected editorial content in the newsletters, although the articles would need to be rewritten.

We need to discuss the structure for this soon and our goals and financial expectations. This is exciting and it will likely challenge our ways of doing business. It takes a different mindset to create and run an Internet business. I want us to discuss and understand it from the start. I will need a formal agreement between us to show outside investors.

The next level of your potential involvement is: 1) writing and editing some of the shorter content articles and features; 2) responding to questions posted on the discussion forum; and 3) financially investing in the company. I have not yet discussed this with Sandra, Mike, or Lenny/Vicki. I do not know what arrangements you have with them and want to discuss with you first their potential involvement.

1/20/00

Jesse,

Thanks for sending me comments back so quickly. I'm glad you like it.

I need to mentally focus on other publishing projects the next few days, which range from addressing Sandra's questions on CE articles, preparing 1099 information for my accountant, to editing the February *Bowne Digest for Corporate and Securities Lawyers*. MyStockPlan is very exciting and I'm trying to compartmentalize my mental energy/focus and my time. Karen will be away much of the weekend (tomorrow's also her birthday) and I have the NASPP talk next week to prepare for.

Could we pick a day and time to talk early next week? There are so many issues and decisions to discuss on this venture. The first is our arrangement. I cannot really read all of what you wrote on the back page or follow the flow of your thinking. Could you possibly cut out and paste onto a separate paper the comments on this page and their order?

I also need to know the extent of your involvement. Under "Your Involvement" I mention six different ways. There are three ways under minimum and three that involve money, or more time and expertise. There are likely other ways you can propose, if I understand your notes on earlier pages. We can just talk about this if you prefer.

PLEASE DO NOT FAX BACK THIS UNTIL MONDAY. I NEED TO FOCUS ON OTHER PROJECTS AND I WILL NOT HAVE THE WEEKEND TO WORK.

Thanks,
Bruce

P.S. You may need to learn to type and use e-mail!

Brill, I like it. See My country suggestions
Jess

To: Jesse Brill

Fr: Bruce Brumberg

Re: MyStockPlan.com/MyStockOptionPlan.com and
MyPOTofGOLD.com/MyGoldPot.com

Date: January 19, 2000

Concept

Website devoted to participants in stock option, stock purchase, and restricted stock programs. MyStockPlan.com will provide interactive financial planning calculators/tools; content (articles and discussion forums); and record keeping, option exercise, and restricted stock services. A separate site will be devoted to the needs of high net-worth individuals.

(and FAQs)

The Opportunity

Millions of people in the US and now overseas participate in stock plans (based on data from the National Association of Stock Plan Professionals, The National Center for Employee Ownership, and various compensation consulting firms). In addition, through our experience with the NASPP and in researching and writing the newsletters, we can assume that senior executives and most directors at every public company have stock options or some form of restricted stock (i.e., either the time-vested and/or the SEC Rule 144 version). A countless number of people also hold stock options in pre-IPO companies, as they help fuel the New Economy.

Participants in these plans are sitting on billions of dollars in option gains, representing much of the new wealth in this country. I have heard (not confirmed) that these gains rival amounts in qualified plans (i.e., 401(k) plans and IRAs). Brokerage firms and financial advisors clamor for ways to reach these individuals to handle their stock plan transactions and manage their money.

As we know, few participants hold the stock after exercise. For numerous reasons they take their option profits before the end of the standard 10-year term and either diversify the money into alternative investments (i.e., stocks, mutual funds), buy things (cars, furniture, houses), or do things (vacation, wedding, renovation). In short, these are the type of people whom the financial service companies and numerous other advertisers want to reach—folks eager to do something with their money.

Millions of people now look to the Internet as a prime source of personal financial and investment information. This trend is reshaping the financial services industry. The desire of individuals to take direct control over their financial futures is both demonstrated and encouraged by the proliferation of investment and online brokerage websites.



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pvanness@vngroup.com

January 25, 2000

Mr. Bruce Brumberg
Brumberg Publications
124 Harvard Street
Brookline, MA 02446

Dear Bruce:

This letter will summarize several conversations we have had concerning the development of the MyStockOptionPlan.com website as well as introduce some new thoughts and provide you with an estimate of the cost and time to build the website.

The Opportunity

There is little I could add to your analysis of the opportunity (from your January 19, 2000 memo) except possibly a conclusion: Employees and directors who hold stock options, from a stock benefit plan, represent the premier consumers that nearly all advertisers want to reach. Although we do not have hard data on the exact numbers, we know that there are millions of such plan participants and that they hold billions of dollars in assets. A website that can attract these people, collect some data on them and keep them coming back is the perfect place for companies of all types (particularly financial services firms) to make themselves known through advertisements, sponsorships, promotional content, etc. Companies currently pay top dollar for access to the very types of people who would visit MyStockOptionPlan.com. Therefore, it is quite reasonable to believe that, with the current trend in web advertising and sponsorship, you can generate significant revenue by charging companies for the opportunity to be seen on MyStockOptionPlan.com.

The Projects and Our Involvement

As you mentioned in your memo, financial help websites are popping up all over the place and a pretty good-looking one, for information on option plans (OptionsWealth.com), will debut in late February. Therefore, time is of the essence.

I propose that we, at Van Ness Group, help you build MyStockOptionPlan.com, as it is described below, and that we do so on an accelerated schedule. I would also like to participate in efforts to build the business and generate revenue that I describe below.

The Website

I have proposed many possible features. Part of the Planning and Specifications work will be to determine which features to include in the first version and which ones to save for future enhancements. In the interest of reducing both time to market and startup cost, I suggest that we develop just enough features to lure plenty of site visitors and registrants to check us out and find our site a fun and useful place. We can always publicize future enhancements and, as long as we continue to deliver, visitors will keep coming back.

Another decision we need to make, while defining specifications, is which sections would require the viewer to log in – or conversely, which sections or features, other than the Home Page, would be available to viewers without logging in. Since registration will be free, I propose requiring users to register in order to gain access to all areas except the home page.

I am working under the assumption that most viewers will register and enter some information about their grants. We will store this information in a database (probably using MS SQL) and reference it in many of our features. This will become a very valuable database due to the nature of the information we need in order to perform calculations and modeling (company for which they work, salary, state in which they live, number of shares, etc.). With a minimal amount of analysis and without divulging any individual's specific data, we can provide our sponsors and advertisers with very accurate quantitative and qualitative data on our visitors.

As a result of this assumption, you will notice that I have taken the liberty of rearranging some of your features (i.e., put them in different sections from the ones described in your memo).

Sections of the Website

1. Home Page

We will develop a visually inciting and intellectually stimulating home page designed to attract and keep our audience, with a navigation scheme that makes all other sections intuitively obvious and easy to reach. The home page will contain an overview of the site and may also contain teasers (news snippets, "did you know", etc.) a short explanation and "plug" for the calculator, modeling tools and personal database ("My Option Plan"), explicit links to login, register and possibly sponsor.

2. Registration

This section will ask users to enter basic information, such as name, address, phone, email, username and password. Users that want to use the calculators, personal record keeping and modeling tools can enter their company name (or ticker) and salary (for tax calculations). Registration will be free and once a user registers, he/she can simply login and have access to the entire site and all its features.

3. **Login**

This simply asks users for a username and password. A registration link will be available in case the user has not yet registered. Users who lose their passwords can have the system look them up (the user supplies a name and email address) and, if found, send a new password to the email address on record.

4. **Personal Record Keeping ("My Option Plan")**

Users would choose whether to enter unvested shares or not. If they choose to enter unvested shares, the system could automatically send them an email when the shares are about to vest or expire. (The system could also be set to send an email if the company's stock reaches a certain value.) For each grant (or vesting period if the user chooses to enter them) users would enter the following data:

number of shares, exercise price, company (if different from the one at which they currently work), vesting date (if not fully vested), expiration date (optional).

Future enhancements and/or the premium site (see section below on Premium Site) could include grant date and grant type in order to treat ISOs differently from NQSOs and calculate DDs so we can offer modeling that recognizes the difference between ordinary income and short/long term capital gains.

5. **Stock Option Calculators**

You will notice that I included in the Personal Record Keeping section some of the features you listed under Stock Option Calculator. After considering the flow of information, I thought that the "*Quick Take On My Profits*" could be presented in table format. Here's an example:

My Vested Options for ABC Corp. Quote: \$25.50 (click [here](#) to update)

| Shares | Price | Cost | Gross Sales | Gain | Tax | Net | |
|--------|-------|----------|-------------|----------|---------|----------|------------|
| 1,000 | \$10 | \$10,000 | \$25,500 | \$15,500 | \$4,340 | \$11,160 | [Exercise] |

Users who had not yet completed the Personal Record Keeping could enter the values for shares and price and then be asked whether to save the info for next time. You could also imagine a total line if there were more than one grant in the table.

I particularly like your notion of having the viewer select, from a list, what to do with the profits and then present some advertising or promotional content specifically targeted to the choice.

I would also plan to have a calculator that allows the user to enter the amount of *Cash Needed* and show how many shares would have to be exercised today in order to come up with the cash amount.

Notice the "Exercise" button to the right of Net (which would also be included in the Cash Needed calculator). I can easily imagine that, having made an alliance with one or more brokers, we would automatically link to their trading systems when users want to exercise. This is not as hard as it sounds. First, we can ask the user, as part of the registration process,

to select a broker (from our list) with whom to do exercises. Then, when the user presses the "Exercise" button, we simply ask whether they want to sell immediately. If so, we ask for the number of shares and confirm the broker selection. Then we send the user (along with the exercise information) directly to the broker's trading system. This would, of course, require not only a marketing partnership, but a technical one as well. However, many brokerage systems may already be built to handle this type of information exchange.

Another wonderful feature would be to store the exercises so we can report all gains to the user at tax time. Accounting and tax preparation firms, including software vendors, such as Quicken and TurboTax may want to sponsor this section of the site.

The calculator would also allow the user to see different possible net gains given changes in the company's stock price (mentioned in your memo under Modeling Tools).

6. Modeling Tools

This area needs to be discussed in greater detail during the specifications process. In your memo, you describe several good models to choose from. It might be a good idea to do some research on which models would be of greatest interest to prospective site visitors. I believe that the first version of the site should have only one or two models (in addition to the calculator described in item 5) that our research finds to be of the greatest value, either because they are not found anywhere else, or because others are inferior or too difficult to use.

Although I know many of the rules needed for these calculations, I am assuming that you will be able to fill any gaps in my knowledge and furnish any tax and accounting documentation necessary to create the models.

7. Articles

We will have a section with articles, as described in your memo, including a searchable database. I expect that you and your staff will be responsible for writing and collecting the articles.

8. Forum/Discussion Groups and/or Ask the Experts

You advance a number of competing ideas in these sections of your memo. I think we need more discussion here. However, we can safely say that we will probably want one or both of these features, which means that we will need to build an engine capable of having users post, view and respond to messages. Since we are going to ask users to register, we can create a security feature that allows only selected individuals access to certain areas (to answer questions, for example). The security system and discussion engine will be made flexible and powerful enough that we can always build on it as we think of other uses.

9. "Knowledge Center" or "References"

This is the section you listed under Permanent Content, including a glossary, FAQs, tax guide for upwards of 20 countries. I expect that you will provide all the content for this section, which we will lay out in a static format (that is, not database driven).

10. News

We will need to research just how we will provide this with the least cost to us. I know of at least one free news service and more may appear before we finish our site. If all else fails, we know we can pay for news from Reuters, AP, etc. We also need to consider how to edit the news items so we can provide the sort of topics you mention in your memo. From a development standpoint, we will be able to provide news either through some sort of feed, or by linking to other sites (using pop-up windows so the user doesn't leave our site)

11. Company Specific News

As we discussed over the telephone, we regard this as a future enhancement. In addition, we might want to offer a section on our site where employers can post press releases and other company promotions that they wish to share with their employees as well as the world at large. This might be a nice feature to add to the Premium Site described in the revenue section

12. Email Newsletters.

Periodic e-mailings would be made to all registered users with teaser articles and headlines complete with the link to that area of our site. In addition, we could also send email to users whose shares are vesting or expiring or whose company's stock has hit a certain price (as described under Personal Record Keeping). I would regard all automated email features to be future enhancements (maybe the first ones we do).

The Revenue

I see a number of exciting possibilities for generating revenue. As your friend Marshall so aptly put it, it's the wild west out there – not only when it comes to deals and alliances, but also in the area of advertising, sponsorship and what I call *Promotional Content* – companies and/or their products/services that are mentioned within the regular content of the site (not in a separate banner ad). You are beginning to see promotional content in many forms. I'm sure you've encountered websites that mention books or music with a "but this book now on Amazon.com" link. Other sites, like Web Monkey, have a discrete "Powered by Atomz" link next to their search function. Still others mention or even plug their partners directly in the copy.

While I've heard of every kind of pricing from \$750,000 per month for broad exposure throughout a site to \$0.10 "per click" for links, our exact offerings and pricing will take some more research and experimentation. Based on my understanding of the business in general and our recent conversations, I see three main revenue generating sources: Sponsors, Partners and Employers.

Sponsors

As I mentioned in the Opportunities section, I believe our first source of revenue will most easily come from sponsors. Therefore, I propose that, as a parallel project to developing the site, we approach prospective sponsors with a pre-launch package that would give them a reduced rate for various site visibility options (no pun intended). Exactly who we approach, what we offer them and how much we charge for those offerings needs to be determined. I would like to help you develop and sell these sponsorship packages and I would be willing to work out an alternative to my normal hourly rate that would include some stake in the venture.

Marketing and Partners

We also need to develop an aggressive marketing plan (not necessarily expensive) to attract site visitors. I believe the initial marketing effort should target plan participants, especially those that would be considered high net worth individuals, to which your existing content is well suited and highly valuable. We have both made marketing suggestions, but a more formal and specific plan needs to be developed, with a timetable for placing ads – both on the Internet and in traditional media in conjunction with the site launch.

I feel that we will have very good luck finding partners willing to share marketing costs and/or enter into co-marketing arrangements with their websites and other collateral. Partners, such as brokers, may even become a significant source of revenue. For example, we may be able to have a profound impact on a broker's ability to compete for cashless exercise and 144 business – especially among high net worth individuals. Traditionally, brokers are willing to pay for leads, assets, accounts opened, even order flow. I understand that there are extremely tight regulatory restrictions on who can accept money from brokers and in what form, but I do believe we can find a way to be paid for access to these most desirable individuals.

I would like to participate in the formation and execution of the marketing plan and in alliance building on the same basis as with the sponsorship plan.

Premium Site Paid for by Employers

Once we have attracted a substantial number of viewers and subscribers (membership would be free), we may then want to approach employer corporations and see whether they are willing to pay for more substantial services to be made available to their employees. If we receive a positive response from enough employers willing to pay a fee, we might want to form a consortium of such corporations and begin work on those extra features.

After a beta test with our consortium, we would launch a premium version of MyStockOptionPlan.com that would be accessible only to employees of member corporations. Given Jesse's comments on your memo and his name recognition among prospective corporate clients, I would expect him to play a major role in the development and sales of this premium website. I would, of course, also be delighted to help with development of the consortium and sales in any way that you see fit.

Our Three Phased Approach to Website Development

We plan to build MyStockOptionPlan.com in three phases:

- I. Planning and Specifications
- II. Website Design
- III. Implementation and Testing

Phase I Planning and Specifications

We have already done much of the planning and we know far more about our audience than any client I have ever worked with. However, we still have some work to do defining goals and priorities (e.g., where's our main source of revenue coming from) and we need to refine the sections of the website a bit.

As soon as we begin work, we will launch a private project website with sections on status, schedule, content, design, contacts, etc. so all participants in the project can be kept informed. The *Project Web* will be the communication hub for the duration of the project enabling the entire team to keep in touch over the Internet. You can see an example of a project web at <http://www.vngroup.com/mtbc>.

The next step is to develop detailed specifications for the database, calculators and modeling tools. I suspect that most of this work will be done directly with you. Progress will be updated on the project web as often as possible.

Phase II Design

Most of the functions of the website are determined by the specifications process. However, the design, look and feel of the site is a separate matter.

Once we have settled on a name, we can design a logo and color scheme. Then we will develop an overall look and feel, taking into account the tastes and skills of our audience. Based on the sites that you like, I believe we will be leaning toward a clean, uncluttered and orderly design with plenty of white space (which isn't necessarily white, just empty). We will surely want to make full use of leading edge technology, to provide for fast and clever calculators and models, elegant moving images (not those obnoxious animations) and maybe even sound.

The entire design will accommodate plenty of space for advertisers (not necessarily banner ads) sponsors' names and other promotional content.

Given the relatively large number of different areas and varied content, our navigation scheme will be of utmost importance. We will develop a quick and intuitive scheme that enables users to get from any place in the site to any another as directly as possible

Van Ness Group will present 2 to 3 designs, including the navigation scheme, for consideration and will post them on the project site, along with other progress updates, as they become available.

In this phase, we will also nail down the content for the website, where that content will come from, who is responsible and how it will be updated.

Phase III Implementation and Testing

With a solid set of specifications, robust content, an intuitive, dynamic and pleasing design, we will be in a terrific position to put the pieces together. Van Ness Group will execute the coding and page layout with your input along the way. Progress will be updated on the project web and pieces of the website will be made available for testing and comments as they are developed.

The site will be launched after thorough testing and as soon as we are comfortable with its performance. We can begin work on enhancements as soon as the site is launched.

We will build the site so that you and your staff can perform regular maintenance and content updates. Although many content updates (e.g., new articles, answers to visitors' questions) can be made using the browser interface we create, you will probably want to have someone learn Dreamweaver. We would be glad to provide you and your staff with the necessary training.

Technical Notes

The Databases

We will build the user database using Microsoft SQL Server. Parts of the test database may first be built in MS Access, to facilitate rapid development. While MS SQL Server is robust enough to handle the volume we expect (millions of records), it is also very easy to use it to feed other databases, including MS Access. The user database itself will be a tremendous asset and analysis of it will help you refine the business as well as generate revenue. However, that analysis can be done at your leisure and on a system with which you may be more familiar, such as MS Access.

We may also use other databases supplied by third parties, such as state tax tables, ticker look-up tables, etc. Those databases will likely come to us in MS Access, which is generally fine for the kind of data they contain.

The Front-End

The front-end, which will include views into the databases and the ability to update the content, will be developed to run using standard browsers, namely Microsoft Internet Explorer v.4.0 or greater (IE) and Netscape Navigator v.4.0 or greater (Netscape). We will use Cold Fusion, by Allaire, Corp. to communicate with the databases.

Cold Fusion has the tremendous advantage of being able to communicate with a very wide variety of databases (usually through ODBC), including Sybase, Oracle, MS SQL and Access, either on Microsoft NT or Unix servers. No code modifications are necessary if one decides to switch databases or platforms. In addition to Cold Fusion, we will use HTML, Flash and JavaScript to develop the web pages.

There is no practical limit to the number of users who can access the website and databases simultaneously. Should the website experience enough traffic to slow its response below acceptable levels, having your ISP distribute the data among multiple servers will solve the problem (see the section on Hosting below).

One enhancement we can offer in our second version is to have a print feature that reformats some of the pages that users want to print (such as calculator, articles, FAQs,) specifically for printing and automatically invoke their printer. We can even offer send emails of certain pages automatically to a user's financial advisor upon request.

Other Sources of Content

One of the wild cards in this project is our communication with our partners and other sources of content, such as stock quotes, financial news, company news and brokers. I am making the assumption that we can find suitable sources that require a minimum of fuss to integrate into the pages we build. However, we may find that a partnership with a broker, for example, is worth the trouble of spending extra time and energy to create a sophisticated and somewhat complex link between our two sites. In this case, we can also expect the broker to be willing to pay for some, if not all, of the development of such a link.

Security

Security will be of paramount importance for this website. Plan participants must feel that the information they provide is confidential and secure. As mentioned above, each user will be required to login and provide a password. The security system itself will be able to be modified by only a select group of people and even they will not be able to see any passwords. Users who lose their passwords, will be sent new ones either via email or US Mail. Password data will be encrypted as it travels from the server to the client (the user's machine).

The security system, along with other sensitive areas of the site, will be placed on secure socket layers (SSL). You will need to purchase a digital certificate from VeriSign for use on this website. The cost of the certificate is about \$350 for the first year and \$250 for each year thereafter.

Hosting

We recommend that the website and its accompanying database be hosted at a large ISP – such as Exodus, ShoreNet, RCN or 9NetAve – with plenty of servers, security, backup and disaster recovery systems in place. You will need a hosting package that supports Cold Fusion, SSL and MS SQL on NT servers. Although I am not in the hosting business myself, I have a relationship with a web presence provider in Arlington called Sky Dog Technologies on which I can give you more information if you like.

Hosting costs range between \$75 and \$150 per month for the services you need to begin with and may increase if the amount of data and/or traffic increases dramatically. Note, however, that hosting rates have been falling over the past couple of years.

If you find that the response is slow due to tremendous traffic (a high-class problem to have, indeed), you can have the ISP quickly upgrade the speed by distributing the site among a number of servers. Cold Fusion has built-in support for this sort of distributed processing.

You and possibly other selected users will have direct access to the databases hosted by the ISP you choose.

Development Costs and Timeframe

As mentioned above the project will be completed in three phases. In the table below, I have estimated the cost and elapsed time for each Phase.

| | | |
|--------------------------------------|------------------|------------------|
| Phase I Planning and Specifications | 1.5 Weeks | \$6,500 |
| Phase II Website Design | 2 Weeks | \$9,000 |
| Phase III Implementation and Testing | 3 Weeks | \$11,400 |
| Total | 6.5 Weeks | \$26,900. |

This is only an estimate. Van Ness Group bills for actual time and materials at the following rates (estimated costs in the table above are a composite of the rates below):

- \$75 per hour for HTML programming and layout
- \$100 per hour for database and JavaScript programming
- \$150 per hour for database design, graphic design and copy writing
- \$200 per hour for project management, consulting and strategic planning
- Travel, parking, lodging, meals, duplication, shipping, etc. at actual cost with no markup.

I have reduced our normal rate for project management, consulting and strategic planning to \$150 per hour in the interest of developing a long-term relationship with this new venture.

Because of the specialized nature of this project and the unusually good fit of our top three people (listed below) to this specialty, they will do most of the work.

Peter Van Ness has been helping organizations realize the benefits of information technology since he founded Personal Computer Solutions in 1984, whose clients included Benjamin Thompson & Associates, Kaiser Engineers and Kenner Parker Toys.

In 1990, Mr. Van Ness joined Expert Legal Systems, where he developed and brought to market groundbreaking software that, for the first time, integrated the management of a company's stock, employee stock options and employee stock purchase plans.

In 1992, the company reincorporated as StockPlan, Inc., with Mr. Van Ness as president and one of the founders. The company grew to become the largest independent provider of management services for stock benefit plans worldwide and was finally sold to American Stock Transfer & Trust Company in New York in 1997. Mr. Van Ness served as president of new newly formed company, AST StockPlan, for one year.

Under the direction of Mr. Van Ness, the company forged alliances with the major brokerage firms servicing companies with equity compensation plans. By embracing leading edge technologies, StockPlan created new programs that empower employees to make the most of their stock benefit plans using interactive voice response and Internet based trading. With E*TRADE OptionsLink and National Discount Brokers as partners, the company launched the first web-based systems integrating employee stock options and employee stock purchase plans with stock trading.

Some of the people instrumental in developing these technologies now work with Van Ness Group. You can find more information on Van Ness Group at our web site (<http://www.vngroup.com>).

Conclusion

I'm sure you have noticed my excitement about this project. I have no doubt that you have hit on a brilliant idea that will be extremely successful very quickly.

We at Van Ness Group would be delighted to be your partner in this endeavor. We offer an unusual synergy that combines a deep knowledge of stock benefit plans, technical expertise in both database design and the Internet, along with practical business and senior management experience.

Having known you casually for many years, and after several recent dialogues via telephone, I feel that you and I would work very well together. I have every reason to believe that with our vision and leadership, we can inspire the others working on this project to create a truly extraordinary gathering place for all people with employee stock options.

I look forward to speaking with you more about this tomorrow and to meeting with you on Thursday.

Very Truly Yours,
Peter W. Van Ness (via email)

Peter Van Ness (see About Van Ness Group, below)

Vickie Siems, who, in addition to serving as chief designer, has over 15 years of experience in project management, particularly in HR, payroll, tax and stock plan administration. Ms. Siems was project manager at AST StockPlan for both the E*Trade / OptionsLink and the National Discount Brokers projects.

Steven Steinberg is an applications developer with over 25 years of experience in database design and programming. Mr. Steinberg is one of the developers of the StockPlan Software.

About Van Ness Group

Van Ness Group is a consulting collaborative dedicated to helping people embrace new media in order to build a more productive and profitable organization, while creating a healthier work environment.

Van Ness Group, founded in 1998, is the third Information Technology venture for Peter Van Ness, who was founder of Personal Computer Solutions in 1984 and co-founder of StockPlan in 1992.

Over the last two years, Van Ness Group has undertaken a wide variety of projects, including database design, Y2K readiness, strategic marketing and new media development. Our clients choose us for many reasons; chief among them is the synergy found at Van Ness Group – an inspired coterie of artistic talent, technical expertise and business savvy.

Some of our recent projects are described below:

- Develop database driven websites for the M&A department of Mitsubishi Trust and Banking Corporation and for an agent of the John Hancock Life Insurance Company.
- Redesign Marcam Solutions' website (<http://www.marcam.com>) -- check out the 1998 financials) and rewrite the copy for the Industry Solutions and Products sections.
- Build a web site for NASW (<http://www.naswma.org>) for which the Home Page had already been designed. We created a design and navigation scheme for the rest of the site and laid out several hundred pages of content.
- Design and build several informational and promotional web sites from scratch, including Gloucester Sports (<http://www.gloucestersports.com>), In Search of Nanny, Inc. (<http://www.insearchofnanny.com>) and Silk Art (<http://www.krashefski.com/virginia>).
- Build a job costing database for GE Aircraft Engine Division and a subscriber and marketing database for Harpoon Brewery
- Provide strategic planning and marketing consulting to Great Lakes Strategies, National Discount Brokers and Simmons College Graduate School of Social Work.
- Design a Y2K compliance and software testing program PaineWebber.

Jesse 1/25

1. Will not stop waiting. This what I like to do. We're similar w/ that both business streak.
2. Talk more about your thoughts on more & more specifics of involvement, which varies on corp vs retail/public approach
3. Not looking to strike deal today. I want to listen to you. I've done lots of thinking as you see

Concern that just creating traffic at whatever approach/expense take. Wants more of ~~corporate~~ a conservative approach of selling.

Thinking it's a simple as for corporate:

- 1) tracking, modeling program for corporate market
- 2) informative articles - not controversial
- 3) Executives more content: my compliance

Only customizing the individual information so would not have to enter it.

Increase # of users

Lots of 3rd party providers we could
sell to.

AFTER 8:00 PM. WEDNESDAY,

WHO DOES WORK?

AS WITH NEWSLETTERS, WE HAS
TO CONTINUE WORK ON IT

I spent my view of retail market.

WHO DOES WORK & WHO AFTER SELL.

CORPORATE VIDEO MARKET ANALOGY,

①

2/26/00

Jesse called me.

I Tell people 2 ways freed
all ways.

Morgan Stanley does not have it
on horizon. we discussed this 2
how everyone will
sell strength content 60 to 80

Gots part of their ^(his) specialities.
Knowledge & content, Although not
interactive aspect.

Tina promoted C&C to
surprised at how poor response
would be. Feel overcast eyes.

Things not different. Didn't buy into what's for
him

Mentioned C&C website reserved.
Thanks this is way to reach through
web.

Credibility from assoc & substance.

Deal relationship with C&H. Possibly
harvest.

Explained my pitch & vision. Likes it

Concerned about selling
to other firms the content.

(2)

Makes good sense.

Promotional tie in establishing
name & launch.

Told him 10% for 1-3

Thinking big participative viewing
in terms of being successful.
To be successful needs to
viewed as part of and not
just mentioned. Really get
behind it. Promotion stronger
effort on his part.

- stand alone mailings
- inserts combined with
mailings and articles
in newsletter

thought 25% for 1st 3 parts

Knows restaurant irrational

50% 50%. Don't feel like competing
not taking advantage. Conceptually
not same way. Not really rational
need to feel comfortable.

3

Don't want it to fool
someone done good job of taking
advantage

Fools that Grindfeast
just lost his name.

website that can maximize
CE audience and content. Lots
of companies pay money for
plain English talks.

I explained that selling his
SERVICES ^{IN PRE-1.00 TALKS} may not fit. more
than corporate folks.

Admin comfortable with ~~top~~ average job.
The top people he researches: EXOS OR
people advising them.

Goes with strength.

May need to get diff lists to reach
HR & benefits folks. They reach
more people & right folks.

(4)

^{SEV}
Says he has this. Heavy promotion
& sell of in a ~~few~~ years/months
not their interest.

Knows things internally at MSOW

(25%) for 1st 3 ~~points~~ points
is what he thought I'd say. I told
him

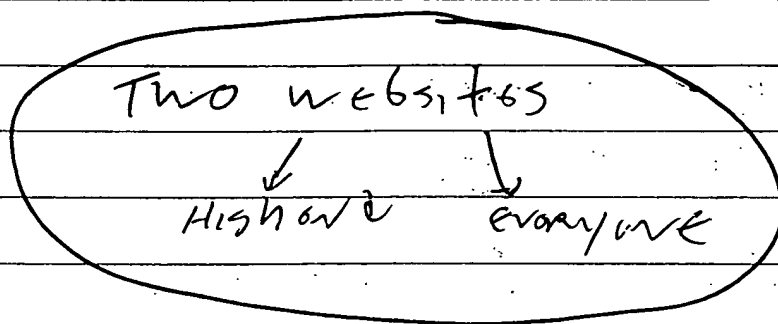
Frns with Bill & Restaurants.
But completely removed, except
for wing lists.

Equal partner frns with Restaurants.
Needs to think more about it.

I told him that could get investors
& he knows it. Very rationally,
calm conversation.

1/28/00

may be him best to do it
on FAQs



More valuable with someone
acquiring it

→ Saw a advantage to BOB GABLEN
PR

Around 2,000 companies

Understands I feel uncomfortable
with perhaps need to raise
money for marketing.

How to reach masses that
have stock options? Mass
media outlet. Maybe
difficult to reach them.

Top executives protect themselves.
How to preserve & protect my wealth,

↑ Theme for top executives

on general site can do viewing & record keeping. Go to General Site

Compliment AST stock plan

Live chat or certain period for questions.

1) LIKE3 Forum concept over open questions

Lends credibility

to it. may also do threaded discussion

would increase the value with a working. Many play off of each other. Create a victim atmosphere for it.

perhaps
like
with
another
service.
Don't
want to
be like
firm you
outsource
payroll
to.

NEW THOUGHTS FOR JESSE

1/28/00

MASPP TALK WENT WELL. VIDEO TAPED.
I NEED TO COPY FROM SMALL TAPES TO
LARGE. SINCE MG & OTHER PERSON MOVE
AROUND NO CAMERA PERSON, QUALITY
QUESTIONABLE. TALKED WITH OTHER
FOLKS ABOUT MSOP. HAD ASKED TO
REVIEW IT.

ALSO EXTENSIVE MEETING FOR FULL
AFTERNOON WITH PETER VANNESS ON HIS
PROPOSAL. GOOD TALK. SLIGHT REVISION. I'M
PREPARING DEVELOPMENT AGREEMENT.

PTS FROM MEETINGS THAT IMPACT MSOP,
STAFF, FUNDING

OVER TIME
A) Content Rich from ~~start~~: Not just current
ARTICLES we write. Someone, such as
YOU, goes through BACK C.E. ISSUES (MAYBECC
eventually). Indicates

- 1) Article & short features with rewrites &
any updates would fit into MSOP
- 2) Person needs to know what relevant
and what outdated.
- 3) Could at first check or circle
or have a copy those articles & features.
- 4) Then edit them to fit editorial style
of MSOP. Does it need rewrite or
new structure as if from scratch. Need to
at minimum estimate \$6000. More complicated is

UNDERSTANDS
H6 OR MIKE
BEST TO
DO IT

REPURPOSE
IT

FAQs also

- 1/28/00
- B) Reaching the ^{eventual} user/buyer (The individual
exec & optmres) ^{eventual} into a Govt site to visit,
with legal pbs analogy is want to reach
lawyer/inhouse counsel, not the librarian
who just refers, even though a favor doer.

As good as you (Jesse) are in promoting,
we are still reaching mostly the "librarians."
We need to reach not the folks in NASPP, but
all the employees at companies they represent
(How many companies?).

Will & Care is whether reaching them
will generate enough users. You may have
3,000 subs to CC, which for paid newsletter
is great. For web we want 10-100
more users.

Will need big ad push to the user/retail
side than thought. More expensive. Perhaps
we do need money early. We haven't
talked about your money contribution. (Also
his promotional contribution not as closely
invaluable.

- C) Web site development has similar
process to train videos: content,
message presentation important.

- D) Need someone else with smarts & drive.
Once up, need to pursue relationships & deals
with other sites.

F) For JMS - SPAN 502-612

Will need money

E) Even better over
creative guerrilla techniques approach

Bruce,

We need to find out how (with

① no mass advertising?) This guy has
promoted his book - May Magazine Sep
50 sets + 583 at AMAZON

② I'm still not sure that
the conventional wisdom advice
about mass advertising is the
best way to reach our market.

Just

① First mover advantage is important.
I don't want to say "I told you so" with
website like with book. The guy is focusing on
book and overall tax guides website, although he
may get idea for options website now that this
is his focus. Amazon rankings vary by hourly
sales. I know from our travel book. One company could
order 50 books and ranking high for hours & weeks

② Interesting you say that. I have been thinking
about other approaches & collecting g.d. rates

Jesse Talk, ideas

NEW ORLEANS
2/1/00 TALK
NOTES
WENT
INTO

- 1) CONVENTIONAL WISDOM ON ADVERTISING ^{CHAR?}
DOES NOT MEAN PAYING FOR IT. Example:
Approach MSN with idea & instead of
pay they promote site. Could have
content distribution arrangements
with other sites: give selected
content in exchange for promoting.
This requires someone to work
on it. Perhaps money better
spent on this than ads.
- 2) Peter wants to start this week. Will send check

Thoughts on ORK deal

49% you 51% me 5% give out

1) WORK EDITORIAL

MESSAGING THIS

PAST EDITORIAL
INTO SHAPE & FUTURE IN newsletter
EXAM newsletters. You
OR others pay that work
FOR YOU. ~~And then~~
I'll give you plan for this.

FUTURE EDITORIAL FOR
SITES: I WRITE FOR
EVERYONE SITE. FOR HIGH
LET WORK I WRITE,
ALTHOUGH YOU MAY BE ABLE
TO REWORK SOME OF THE
OLDER STUFF ALSO TO DRAFT
STAGE THAT NEEDS INTERVIEWS
& EDITING RESEARCH

2) DISCUSSION FORUMS/ASK EXPERTS

BOTH OF US PLAY SOME ROLE IN ANSWERING
QUESTIONS, CREATING THEM (will come from
PAST), LIVING UP SPONSORS FOR FORUMS,
MANAGING.

3) site design & creation / project management
Driving Force
I direct with ^{input} ~~seminars~~ from you

4) calculators & modeling tools
Same

HARDEST 5) Promotional Efforts to NASPP &
TO Newsletter Forces & other lists

YOU direct with input from me. Direct
additional costs come from venture
6) PR - In Research lists. Draft Release send out.
Both handle follow up calls / up front

7) Manpower
Both put in 50-100K. Perhaps
50K each now.

Loan up to ⁵⁰⁰ ~~250~~ K if decide to
need it before outside financing.

8) Legal work

I'll do first drafts when I can
use local firm when needed.

9) use existing offices & admin help for now. May need additional
hires & space. Neither of us draw any salary.

10) 2 directors me / I for / 2 you / 3 me

11) if promotional efforts fail & we need
VC money, not dilute equity.
we will make reasonable decision
of how to do it, understanding more
from you, than me.



Merrill Lynch



BRUMBERG PUBLICATIONS, INC.

Summary of Checking Activity

| Date Cleared | Date Written | Check Number | Payee | Amount |
|--------------|--------------|--------------|-------------------------------|-----------|
| 02/24 | 01/26 | 425 | BRIANA THIBEAU | 15.00 |
| 02/02 | 01/27 | 426 | TUMBLE KIDS | 170.00 |
| 02/07 | 02/02 | 429 | VAN NISS GROUP | 9,000.00 |
| 02/01 | 12/31 | 6353 | MARK S MALSEED | 49.87 |
| 02/04 | 01/31 | 6355 | KAREN AXELROD | 1,216.28 |
| 02/04 | 01/31 | 6356 | BRUCE BRUMBERG | 1,181.94 |
| 02/01 | 01/31 | 6357 | MARK S MALSEED | 624.86 |
| 02/03 | 01/31 | 6358 | JOHANNA M MCKENZIE | 1,886.82 |
| 02/11 | 12/10 | 10755 | MA MUNICIPAL ASSN | 50.00 |
| 02/04 | 01/24 | 10784 | BRUCE BRUMBERG | 10,000.00 |
| 02/01 | 12/20 | 10789 | SNAKE HILL FARM | 34.40 |
| 02/09 | 12/30 | 10803 | BOSTON COLLEGE LAW SCHOOL | 150.00 |
| 02/04 | 12/30 | 10811 | BRUCE BRUMBERG | 165.77 |
| 02/22 | 01/16 | 10829 | PORTIA RICHARDSON | 160.00 |
| 02/07 | 01/28 | 10831 | AMERICAN EXPRESS | 1,762.35 |
| 02/07 | 01/28 | 10832 | BELL ATLANTIC | 39.53 |
| 02/10 | 02/01 | 10833 | MC1 WORLDCOM | 12.31 |
| 02/17 | 01/28 | 10838 | BELL ATLANTIC | 110.73 |
| 02/17 | 01/28 | 10839 | BELL ATLANTIC | 175.13 |
| 02/17 | 01/28 | 10840 | BOSTON GAS | 41.47 |
| 02/16 | 01/28 | 10841 | COPY COP | 358.62 |
| 02/16 | 01/28 | 10843 | NETWORK PLUS | 102.00 |
| 02/18 | 01/28 | 10844 | PAYCHEX | 143.29 |
| 02/18 | 01/28 | 10845 | UNISHIPPERS ASSN | 10.05 |
| 02/23 | 01/28 | 10846 | UNITED PARCEL SERVICES | 85.62 |
| 02/23 | 02/04 | 10848 | AMERICAN MEDIA INC | 113.91 |
| 02/23 | 02/04 | 10849 | THE MARCUM GROUP | 561.60 |
| 02/17 | 02/04 | 10850 | RELIANCE | 427.00 |
| 02/29 | 02/04 | 10851 | ST MARYS COUNSELING CNTR | 100.00 |
| 02/24 | 02/24 | 10852 | MCLE | 60.00 |
| 02/18 | 02/08 | 10854 | SUDALTER FAMILY CO LLC | 86.56 |
| 02/22 | 02/10 | 10856 | CELLULAR ONE | 38.21 |
| 02/17 | 02/10 | 10857 | ECO SOFTWARE INC | 15.96 |
| 02/25 | 02/10 | 10858 | JOHANNA MCKENZIE | 185.44 |
| 02/17 | 02/10 | 10859 | MASSACHUSETTS MUNICIPAL ASSOC | 50.00 |
| 02/18 | 02/10 | 10860 | SUDALTER FAMILY CO LLC | 943.93 |
| 02/23 | 02/10 | 10861 | SUSAN KOFFMAN | 1,298.00 |

PLEASE SEE REVERSE SIDE

Page CODE # 6060 (Statement Period)
4 OF 10 02/01/00 TO 02/29/00

Account No.
818-07H20

016021

February 3, 2000

Peter Van Ness
Van Ness Group
11 Magnolia Avenue
Magnolia, MA 01930

Re: Website Development

Dear Peter:

This letter confirms that you will develop and provide services for the websites MyStockPlan.com and MyStockOptionPlan.com (if we decide on two site approach). These professional quality sites will have the features and technology and be developed under the terms in your letter of January 25, 2000 (The Proposal), and modified by later discussions.

You agree to transfer all rights, title, and interest in all of the intellectual property (e.g., copyrights, trademarks, trade secrets, and patents) created in the course of developing the websites. I understand that you will incorporate program code into this project that has already been written by you and is contained in a library. Furthermore, in the course of developing this project, you may modify that library. While you retain ownership of the library, I will have a permanent, non-exclusive license to use that library.

If for some reason you must stop work on this project before the website is launched, or the website is not launched within eight weeks from today due solely to technical problems, you will give me at my written request: 1) all the work product; 2) written summary of the tasks that were completed; 3) the code and designs developed for the sites.

Deleted: its completion or a beta site acceptable to me with the features we discussed is not posted within

Deleted: ; 4) written summary of how the code works

I have sent you by AirBorne an initial check for \$9,000. I will pay you an additional \$9,000 upon completion of the Website Design phase as described The Proposal and the remainder on the day the website is launched. Additional work will be billed at the hourly rate in The Proposal and you will tell me what constitutes additional work before doing it, with the understanding that The Proposal contemplates only one website with only one design, and therefore, all work on a separate design for a second website will be considered to be additional work and will be billed at the hourly rate stated in The Proposal.

Deleted: at a reasonable benchmark for ½ of the sites' completion

Deleted: upon completion acceptable to us

Deleted: your proposal

Deleted: .

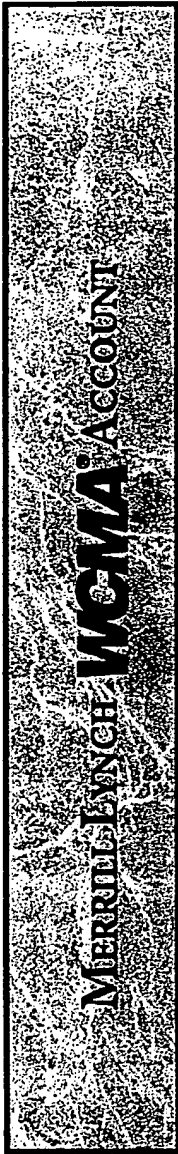
You are responsible for paying all of your contractors and receiving from them assignments of their intellectual property rights acceptable to me in what they develop. You guarantee me of the high quality of their work and yours and that it will not infringe anyone's intellectual property rights. You will disclose information about these sites only to individuals approved by me to work on their development.

In the next few weeks I may send you a website development agreement that spells out our arrangement in more legal detail, if necessary. This agreement will be assigned to a new entity. I look forward to a long, successful working relationship and friendship.

Sincerely yours,

Bruce Brumberg
President, Brumberg Publications

Agreed to: _____ Date: _____
Peter Van Ness
President, Van Ness Group



BRUMBERG PUBLICATIONS, INC.

Summary of Checking Activity

| Date Cleared | Date Written | Check Number | Payee | Amount |
|--------------|--------------|--------------|-----------------------------|------------|
| 03/27 | 02/02 | 427 | BOSTON COPY CO | 50.00 |
| 03/22 | 03/12 | 430 | COMMONWEALTH OF MASS | 456.00 |
| 03/23 | 03/21 | 431 | BRUCE BRUMBERG | 16,000.00 |
| 03/03 | 02/25 | 6359 | KAREN AXELROD | 1,216.28 |
| 03/03 | 02/25 | 6360 | BRUCE BRUMBERG | 1,181.94 |
| 03/03 | 02/25 | 6361 | MARK S MALSEED | 797.53 |
| 03/02 | 02/25 | 6362 | JOHANNA M MCKENZIE | 1,886.82 |
| 03/13 | 12/14 | 10776 | ROWE AND MAW | 500.00 |
| 03/13 | 12/30 | 10806 | ADOBE SYSTEMS INC | 149.00 |
| 03/03 | 12/31 | 10836 | BRUCE BRUMBERG | 5,810.34 |
| 03/03 | 12/31 | 10837 | BRUCE BRUMBERG | 500.00 |
| 03/09 | 02/04 | 10853 | ILISSA POVICH | 240.00 |
| 03/03 | 02/08 | 10855 | BRUCE BRUMBERG | 39.99 |
| 03/13 | 02/16 | 10866 | BRILL EDITORIAL SERVICES | 360.00 |
| 03/17 | 02/16 | 10867 | ELLIOTT PURETZ | 200.00 |
| 03/13 | 02/16 | 10869 | PATRICIA CROWE | 300.00 |
| 03/08 | 02/16 | 10872 | PORTIA RICHARDSON | 80.00 |
| 03/16 | 02/16 | 10873 | VANCE KOVEN | 510.00 |
| 03/07 | 03/01 | 10874 | VAN NISS GRP PETER VAN NESA | 9,000.00 ✓ |
| 03/31 | 02/16 | 10878 | GOLDEN SKY PRODUCTIONS | 701.21 |
| 03/16 | 02/28 | 10879 | ABLE DELIVERY CORPORATION | 22.50 |
| 03/16 | 02/28 | 10880 | AMERICAN EXPRESS | 1,431.77 |
| 03/16 | 02/28 | 10881 | BELL ATLANTIC | 203.57 |
| 03/16 | 02/28 | 10882 | BELL ATLANTIC | 39.66 |
| 03/16 | 02/28 | 10883 | BOSTON EDISON COMPANY | 52.51 |
| 03/17 | 02/28 | 10884 | BOSTON GAS | 53.42 |
| 03/15 | 02/28 | 10885 | COPY COP | 101.78 |
| 03/17 | 02/28 | 10886 | MELISSA OBERG | 45.00 |
| 03/15 | 02/28 | 10887 | NETWORK PLUS | 103.43 |
| 03/15 | 02/28 | 10888 | PAYCHEX INC | 47.02 |
| 03/21 | 02/28 | 10889 | UNISHIPPERS ASSN | 9.95 |
| 03/17 | 02/28 | 10890 | UPS | 111.10 |
| 03/14 | 03/04 | 10891 | MCI WORLDCOM | 30.96 |
| 03/21 | 03/07 | 10892 | MEDIA ONE | 79.90 |
| 03/17 | 03/07 | 10893 | WEST GROUP | 10.00 |
| 03/14 | 03/07 | 10894 | BILL RAPIER | 640.00 |
| 03/16 | 03/07 | 10895 | PUBLISHERS GROUP WEST | 250.28 |

PLEASE SEE REVERSE SIDE

Page 4 OF 10
CODE # 6060
Effective Period 03/01/00 TO 03/31/00

Account No.
818-07H20

016021

MARK HOURS THROUGH JULY

Brice, MSO hours as requested:

| | <u>Brunberg</u> | <u>MSO</u> | \$19 hour |
|-------|-----------------|------------|-----------|
| JULY | 3 | 83.5 | |
| JUNE | 16 | 172.5 | |
| MAY | 19 | 58 | \$16 hour |
| APRIL | 14.5 | 38.5 | |
| MARCH | 32 | 51 | |
| FEB | 82 | 0 | |

AS OF JUL 25, TOTAL MSO = 403.5

/mark.

FULL #

| | | |
|----------------|---|---------------|
| \$ 5120 | - | 320 @ 16/hr |
| 1586.50 | | 83.5 @ 19/hr |
| <u>6706.50</u> | | <u>403.50</u> |

| | |
|--------------------------------------------------------------------|--------------|
| BILL TO: | MYSTO |
| MyStockPlan.com, Inc. 124 Harvard Street Brookline, MA 02146 | |
| ATTN: | |

| | | | |
|-----------------|-------------|-----------------|--------------|
| INVOICE# | DATE | P.O. NO. | TERMS |
| 0018157-IN | 06/01/00 | | Net 30 |

| | | |
|--------------------|------------------|-----------------------|
| BILLED FROM | BILLED TO | NEXT BILL DATE |
| | | |

| ITEM | DESCRIPTION | | QUANTITY | UNIT | AMOUNT |
|------|-------------------------------|----|----------|-----------|----------|
| HOST | stock1.inetu.net 6/9 to 7/1 | EA | 23.00 | 16.500 | 379.50 |
| HOST | stock1.inetu.net 7/1 to 8/1 | EA | 1.00 | 495.000 | 495.00 |
| HOST | stockdb1.inetu.net 6/9 to 7/1 | EA | 23.00 | 16.500 | 379.50 |
| HOST | stockdb1.inetu.net 7/1 to 8/1 | EA | 1.00 | 495.000 | 495.00 |
| HOST | enhanced monitoring | EA | 23.00 | 6.660 | 153.33 |
| HOST | stock1.inetu.net 6/9 to 7/1 | EA | 1.00 | 200.000 | 200.00 |
| HOST | enhanced monitoring | EA | 1.00 | 200.000 | 200.00 |
| HOST | stock1.inetu.net 7/1 to 8/1 | EA | 23.00 | 13.330 | 306.67 |
| HOST | firewall.mystockoptions.com | EA | 23.00 | 13.330 | 306.67 |
| HOST | 6/9 to 7/1 | EA | 1.00 | 400.000 | 400.00 |
| HOST | firewall.mystockoptions.com | EA | 1.00 | 400.000 | 400.00 |
| HOST | 7/1 to 8/1 | EA | 23.00 | 6.660 | 153.33 |
| HOST | managed DB backups | EA | 23.00 | 6.660 | 153.33 |
| HOST | stockdb1.inetu.net 6/9 to 7/1 | EA | 1.00 | 200.000 | 200.00 |
| HOST | managed DB backups | EA | 1.00 | 200.000 | 200.00 |
| HOST | stockdb1.inetu.net 7/1 to 8/1 | EA | 1.00 | 2,600.000 | 2,600.00 |
| HOST | MS SQL 7.0 with ICL | EA | 1.00 | 1,295.000 | 1,295.00 |
| HOST | cold fusion App.4.5 Pro | EA | 1.00 | 0.000 | 0.00 |
| HOST | Firewall setup | EA | 1.00 | 695.000 | 695.00 |
| HOST | Setup for 2 servers | EA | 1.00 | 695.000 | 695.00 |

PAID
SEP 15 2000
Amex 160432

We received a payment of \$5,370.00 on 7/14/00

| OVER 30 | OVER 60 | OVER 90 | OVER 120 |
|----------|----------|---------|----------|
| 1,185.00 | 7,752.33 | 0.00 | 0.00 |

Your account is currently past due.
Please remit payment

NET INVOICE: 7,752.33
SALES TAX:
INVOICE TOTAL: 7,752.33